Gramm-Rudman clock ticks on US deficit, Page 16

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D 8523 B

Fighters threaten

World news

Gemayel palace

At least 45 people were killed and 250 wounded in tank battles in Christian-held areas of Lebanon as pro-Syrian militias fought their way towards President Amin Gem-

Reports that the President's main Christian rival, Elie Hobeika, had been killed were denied. Hobeika last month signed a Syrian-sponsored peace pact aimed at ending the 10-year Lebanese civil war. Gemayel opposed the pact, saying it gave too much power to Moslems.

Moslem West Beirut's television said the pro-Syrian fighters had broken into the Christian leader's mountain stronghold of Bikfaya village. Earlier story, Page 3

Lesotho denies coup Troops and armoured cars sur-

rounded the offices of Lesotho Prime Minister Chief Leabua Jonathan in Maseru, but Foreign Minis-ter Desmond Sixishe denied reports of an attempt to topple the Govern-ment. Page 18

Soviet nuclear plan Soviet leader Mikhail Gorbachev announced a 15-year timetable for banning all nuclear weapons and

extended a freeze on nuclear testing by three months. Page 18 S.Yemen fighting Government forces in South Yemen

tightened security in the capital,

Aden, after three days of fighting following a failed coup attempt. Officer missing

A West German officer with access

to classified information has been missing from his army unit in Munich for three weeks, the Defence

Philippines shooting A local leader supporting Philip-

pines presidential opposition candidate Corazon Aquino was shot in Turlac province.

Twelve people, including a 10-yearold girl, were killed in fighting in Sri Lanka's Eastern Province be-ment was \$350.70. Page 32 tween Tamil rebels and security

Pershing change

.

The US Pershing 2 nuclear missiles in West Germany are being modified to avoid a recurrence of an accident that killed three American sol-

Kennedy protest US Senator Edward Kennedy was

held up at Santiago airport for two hours and his car pelted with eggs by right-wing supporters of Chile's military Government

Italian doctors' strike

Italian hospital doctors began a four-day strike and announced more stoppages for next week unless the Government allowed them to negotiate pay rises inde-pendently of other public health

Punjab death

Suspected Sikh extremists shot dead a policeman in Punjab and heightened tension with neighbouring Haryana state over conflicting

Soviet carrier

Soviet Union has launched its first full-size aircraft carrier and simultaneously begun the construction of a second, the US Defence Department said.

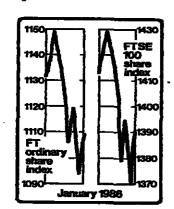
Jet shot down

cials said in Peshawar.

London markets surge on rate hope

Business summary

LONDON: Stocks and gilts surged on interest rate hopes. The FT Ordinary index rose 15.3 to 1,109.6 and the FT-Se 100 added 20.4 to 1,390.5.



WALL STREET: The Dow Jones in dustrial average closed up 8.25 at 1.527.29. Page 40

TOKYO stock market was closed for a holiday. Foreign toehold in Ja-pan, Page 48

FRANKFURT: Stocks soared as driving the Commerzbank index 55.7 higher to 2.161.8. The session was extended by 30 minutes to cope with volume. Page 40

DOLLAR ended in New York at DM 24555, SFr 2078, FFr 7.5355 and Y202.35. It was slightly weaker in London, closing at DM 2.4625 (DM 2.466), FFr 7.555 (FFr 7.5675), SFr 2.082 (SFr 2.089) and Y202.35 (Y202.6). On Bank of England figures the dollar's index fell to 125. from 126.3. Page 33

STERLING ended in New York at \$1.4435. It gained 15 points against the dollar in London to \$1.442, but fell to DM- 3.55 (DM-3.5525), FFr-10.896 (FFr 10.9) and SFr 2.0025 (SFr 3.01). It was unchanged at Y291.75. The pound's exchange rate index fell 0.1 to 78.0. Page 33

lion market to \$346.25 and was higher in Zurich at \$347.35. In New York the Comex February settle-

ISRAEL'S inflation rate, which reached 450 per cent in 1984, turnbled to 185 per cent last year after a

wage and price freeze. Page 3 MEXICO is about to set up a fu-

tures market for the "controlled" exchange rate of the peso against the dollar, used for most trade and

debt transactions. Page 19 UK GOVERNMENT confirmed plans to cut defence expenditure,

squeeze outlays on social security and speed sales of public assets to hold public spending. Page 18 FIRST WACHOVIA, south-east US

bank, boosted earnings 20 per cent during 1985 from \$156.4m to \$187.7m. The company also in-creased sharply its loan-loss provision. Page 19

GULF OIL, Chevron's subsidiary. has run encouraging flow tests yielding good quality light crude in the Celtic Sea off southern Ireland.

RAISER ALUMINUM of the US is to make a wide-ranging reorganisation involving raising new capital that should make it less vulnerable to takeover. Page 19

GROUP LOTUS, UK sports car and engineering group, requested suspension of its shares on the London bourse "pending an announcement." Page 25

JAGUAR. UK luxury car maker, maintained its position as one of Britain's leading exporters last year by shipping out a record 29,675 cars worth more than £600m (\$870m).

Pakistani anti-aircraft gunners shot INTEL, Silicon Valley semiconducdown an Afghan MiG-21 jet when it and three other aircraft entered the fourth quarter of 1985 and net and three other aircraft entered pakistan's air space, Pakistani offiincome for the year reduced by 99

The legislation sets targets for cuts in government spending aimed per cent. Page 19 at eliminating the deficit - which

European groups

CONSORTIUM CLAIMS BLOCKING STAKE IN WESTLAND

investigate Fiat's links with Libya

BY LIONEL BARBER IN LONDON AND REGINALD DALE IN WASHINGTON

THE EUROPEAN aerospace con-sortium bidding to block Westland's favoured rescue plan put forward ness links with Libya. by Sikorsky/Fiat yesterday said it spoke for almost 28 per cent of the korsky might have d row's extraordinary general meet-ing of shareholders in London.

Meanwhile, a second obstacle to Sikorsky/Fiat emerged in the US, where a law firm retained by the European consortium advised that the Sikorsky/Fiat bid might run into trouble with President Ronald Reagan's economic sanctions against Libya. The Washington firm, Wilmer,

Cutler & Pickering, was asked by British solicitors representing the European consortium to assess whether Fiat's connections with Libya might handicap Sikorsky's participation in the Westland rescue plan

Last Night Mr Lloyd Cutler, a former White House counsel to President Jimmy Carter, said the firm had concluded that Sikorsky faced

Reagan last week ordered a virtual of the promised transfer of US tech total ban on US economic and busi- nology to Westland.

The main implication was that Sikorsky might have difficulty in helicopter company's shares, transferring US technology to West-enough to defeat the plan at tomor land under licensing agreements, land under licensing agreements, the lawyers said.

Sikorsky was not available for comment in London.

The Libyan Arab Foreign Invest- because profits from the contract ment Company holds around 14 per could be channelled to the Libyan

According to the Sikorsky/Fiat speak for between 27% and 28 per rescue proposals sent to shareholcent of Westland, slightly above the ders, Westland would receive from critical 25 per cent mark which is

FRANKFURT: Stocks soared as had concluded that Sikorsky faced that the consortium had retained a than 6 per cent; and Lloyds Merforeign buyers returned in force a "significant risk" of running foul driving the Commerchank index of the sanctions, under which Mr consent was a formality in the light around 2 per cent.

The issue has arisen in the wake of a complaint by the US company J. L Case against Fiat-Allis North America, a Fiat subsidiary, in a battle for a S8m Pentagon contract for 178 Crawler buildozers. J. I. Case has asked Fiat-Allis, which submitted the lowest bid, to be excluded

cent of Fiat, although the original 9 Government. Fiat-Allis has dismis per cent share purchase goes back sed the claim as "ridiculous."
to December 1976. Two Libyan representatives sit on the Fiat board.

According to Mr Horne's calculations, the consortium can now

United Technologies, Sikorsky's required to block the Sikorsky/Fiat parent company, a licence for the rescue plan.

Mr Alan Bristow, who is underof the Black Hawk medium-weight stood to have bought more shares

helicopter, subject to US government consent.

Mr David Horne, managing director of Lloyds Merchant Bank advistor of Lloyds Merchant Bank advising the European consortium, said can/Italian deal amount to more

Heseltine says London tried to 'silence' Rome

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

former British Defence Secretary, last night launched a fresh series of challenges to Mrs Margaret Thatcher, the Conservative Prime Minister, over the way her Government has handled the Westland affair. In a powerful 45-minute speech in

the House of Commons, Mr Heseltine directly contradicted the version of the affair earlier presented new allegations about British government pressure being applied on the Italian Government and on the BBC in an effort to limit public

Mr Heseltine, who favours a res-cue for the troubled Westland Helicopter group by a five-company Euthe Cabinet last week. He accused Mrs Thatcher at that time of trying to suppress discussion of alterna-

Mr Heseltine's speech will ensure the possible impact upon party Mr Leon Britian, the Trade and

Industry Secretary, was last night bate and the earlier publication of a letter from Sir Austin Pearce, the chairman of British Aerospace, claiming that Mr Brittan had directly intervened last week to put pressure on the company - one of two

MR MICHAEL HESELTINE, the former British Defence Secretary, last night launched a fresh series of which is supported by the Westland has strongly denied any such inter-

that the political row will continue Mr Heseltine alleged a number of despite Mrs Thatcher's attempt to ways in which the Government had defend her record and to criticise failed to be even-handed. His most his involvement. Many Conserva- serious charge was that the Foreign tive MPs were last night still deeply Office had instructed the British unhappy about the Government's ambassador in Rome to ask the performance in the affair and about Italian Government to send no more messages of support for the European consortium.

The Foreign Office later admitted that on January 8, the day before still in a highly vulnerable political Mr Heseltine resigned, a telegram position after criticisms in the de- had been sent on the instructions of

Continued on Page 18 Share hattle, Page 8; Text of letters; Parliamentary debate, Page 9; Younger plans European tour,

Fed set to link banks' capital levels to risks

THE US Federal Reserve Board yesterday announced proposals for sweeping regulations that would for the first time link commercial bank capital requirements to an assess-ment of the risk involved in various

The rules, if imposed, would require banks engaging in riskier lending or off-balance-sheet financing business, such as letters of credit and credit rate swaps, to main-tain higher capital levels than banks that pursue more conserva-tive activities. The proposals, which are subject to a 90-day comment period, would supplement the existing US bank capital adequacy requirements which require commercial banks to maintain a uniform primary capital-to-assets ratio of 6 per

Under the trends of the Fed's long-awaited proposals, which are expected to be matched by similar moves by the other two key US bank regulatory agencies - the of-fice of the Comptroller of the Cur-rency and the Federal Deposit Insurance Corporation - bank activi-ties would be divided into four separate categories of risk - each with a separate capital requirement.

The Fed's four proposed risk cate- Cash and equivalent - assets which are generally regarded as

being riskless Money market risk – assets generally having little or no risk of default and a high degree of liquidity.

• Moderate risk – assets having more credit and liquidity risk than

money market items. Standard risk – assets generally "found in a typical bank portfolio" and not included in the other cat-

The complex proposals are gen erally seen by US bankers and bank lawyers as an attempt by the regulatory authorities to foster more conservative banking practices and force those institutions that engage in riskier business to increase their capital cushion - a key measure of bank safety.

Mr Paul Volcker, the Fed chairman, emphasised that the proposals were open to change and, anticipating possible objections to the ne, described them as an "imperfect and limited tool." After the comment period, the Fed governors would decide on the final shape of the new regulations.

The US regulatory authorities have become increasingly con-cerned in recent years about the impact of the rapid growth in bank offbalance-sheet activities, such as letf credit which are not current-Continued on Page 18 over the next three years, with a misinterpretation and criticism. ters of credit which are not current-

Bonn minister fuels interest rate hopes

BY STEWART FLEMING IN WASHINGTON

PREDICTION from Mr Martin and yesterday's developments Bangemann, the West German Eco-nomics Minister, that the US would seek a co-ordinated reduction in interest rates by the finance minis-ters of the Group of Five (G5) major industrial countries at their meeting this weekend in London, pro-voked a flurry of activity in the financial markets yesterday and drew a testy response from Mr James Baker, the US Treasury

Mr Baker said after meeting Mr Bangemann yesterday: "my meet-ing with Mr Bangemann was a private meeting and I will have no comment on his remarks. It is not our policy to discuss in advance the positions we may or may not take in private G5 meetings." The West German official's com-

ments will be an embarrassment to G5 ministers who have been going out of their way to play down the importance of the meeting. The fi-nance ministers of West Germany and the Netherlands, Mr Gerhard Stoltenberg and Dr Onno Ruding both said on Tuesday the G5 meeting would take no major initiatives on the dollar.

A US Federal Reserve Board spokesman said: "We have no knowledge of what Minister Bangemann

is talking about."

Japan is known to favour a coordinated cut in G5 interest rates

strongly suggest the US wants to raise the issue. But the G5 scems

It is unclear where the Federal Reserve stands on the issue al-though as the federal agency responsible for US monetary policy its position is of vital importance. The Fed, however is perceived in the financial markets to have passed up in the past few weeks what some private economists saw as an opportunity to lead interest rates lower.

In Europe, senior monetary officials were playing down any sug-gestion that governments had drafted plans for a co-ordinated policy to bring down interest rates, but ac-knowledged that both Japanese and US governments might be anxious for lower rates.

The Tokyo Government was concerned about the impact of the combination of a higher yen exchange its domestic economy, while a joint move on interest rates held obvious political attractions for Mr Baker.

The officials, however, have identified a distinct difference in emphasis between the US Adminis-Continued on Page 18

Italy and Canada seek G5 role, Page 5; Money markets, Page 33

German banks urged to back Baker plan

BY JONATHAN CARR IN FRANKFURT

WEST GERMAN banks should ex- similar sum coming from the World press support quickly - preferably by the weekend - for the Baker plan to ease the international debt

Banks in several key Western crisis, according to a leading countries have already pledged sup-German banker. Mr Walter Seipp, chief executive

German delay on the issue. About 40 German banks are due favour and to regret that no com-

day to discuss the plan, outlined by with other German institutes. Mr James Baker, the US Treasury Secretary, late last year. But Mr Seipp stressed that he felt it would be better if the banks could

Group of Five meeting in London at bank should act as a moderator to the weekend, when the plan is help achieve a joint view. expected to be discussed. Under the Baker scheme, com-

port for the plan, but so far the Germans have not made clear where of Commerzbank, said last night they stand.
that speedy action was needed to The "big three" German banks head off foreign criticism of Deutsche, Dresdner and Commerzbank - are known to be broadly in

meet here privately next Tues- mon stand has yet been reached Major German regional banks and the Landesbanks – publicsector institutes - have so far held back. Mr Seipp suggested that the state their support even before the Bonn Government or the centra

He warned that the longer there mercial banks would agree to lend was delay, the more the German

US sets budget cuts in train

BY OUR WASHINGTON CORRESPONDENT

CONGRESSIONAL and White reached \$212bn last year - by 1991. House agencies predicted yesterday that the federal budget deficit will rise to a record \$220bn this year. They also took the first steps towards ordering the automatic cuts in government spending required under the reformed budget proce-dures Congress and President Ronald Reagan approved in passing the Gramm-Rudman-Hollings Bill in

current 1986 budget the Congressional Budget Office (CBO), a branch of Congress, and the White House Office of Management Budget (OMB) jointly submitted a report indicating that the budget definite the budget definitions will be cheeped the current of the curre cit this year will be sharply high-er than the \$171.9bn which the Gramm-Rudman Act sets as a

The move sets in motion a procedure which seems certain to result in the General Accounting Office (GAO) calling on Mr Reagan to of cuts in government spending which the budget bill set as a maximum reduction for the current fis-

tined to cause widespread confu-sion in government. Mr Rudolph Penner, CBO director, said federally guaranteed bonds issued by the

spending assumptions that led them to their budget deficit estiimplement on March I the \$11.7bn

If Congress and the Administration cannot agree on their own nackage to hit the budget targets the legislation leaves them free to construct a package which could, for example, include tax increases -the automatic spending cuts or "sequestering" would be triggered to reduce any deficit to the legal tar-The sequester order seems des-

Washington Metropolitan Green Transit Authority will go into default" if the GAO agrees that its interest payments are subject to Yesterday in the first step of the procedure for the current fiscal year the OMB and the CBO sent to the GAO a 418-page document set-ting out both the economic and

make its sevings. The law says the cuts must be made equally between defence and problem. non-defence spending, but large

areas of the budget have been put

off limits by the bill so the cuts actually fall on only just over 25 per cent of actual spending.

One of the big implications of the automatic spending cuts expected this year is that the military bud-which must absorb cuts of duction in Pentagon spending authority to \$283.6bn from the \$292.6bn set in 1985 - the first yearon-year cut in military budget au-

thority since 1973. In its economic assumptions the OMB projects real economic growth in the current fiscal year to October 1986 at 3.5 per cent, compared with 3.0 per cent by the CBO.

Although the 1986 automatic spending cuts now seem destined to take place under the new law, the outlook for the fiscal 1987 budget is, to say the least, clouded.

The constitutionality of key sec-

tions of the budget bill are being challenged in federal court (the Reagan Administration's Justice Department is backing the chalmates, and detailing item by item lenge) and uncertainty exists about where a sequester order would whether the new budget process will indeed force Congress and the White House to tackle the deficit

Feature, Page 16

AN UNBEATABLE FINANCIAL PACKAGE

IT'S WILAT WIE'RIE CUT OUT FOR COMPANY_ Send for the Clwyd fact pack

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Europe: Mr Gorbachev's Ost- US deficit: Gramm-Rudman

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Gulf strikes oil off south coast of Ireland

BY HUGH CARNEGY IN DUBLIN AND DOMINIC LAWSON IN LONDON

GULF OIL, a susbidiary of the US oil company Chevron, has made a promising oil strike 30 miles off the south coast of Ireland in the Celtic Sea. The find in block 50/6, which flowed at a rate of 1,500 barrels a day of fine quality crude oil, is about 20 miles away from a Gulf discovery in 1983. That flowed at a rate of 6,400 barrels a day, but subsequent drilling in that area proved disappointing.

The latest find appears \$800m a year on importing \$85,000 barrels a day of crude oil. A 50m barrel field with fine quality oil could be relaxation in the Irish oil taxation laws, such a field so close to shore in a water depth of about 200 miles away from a Gulf discovery in 1983. That flowed at a rate of 6,400 barrels a day, but subsequent drilling in that area proved disappointing.

The latest find appears \$800m a year on importing fevered speculation after the oil. A 50m barrel field with fine quality oil could be respected to produce up to about 200 miles away from a bout 200 fit would most likely be commercial. Gulf is now carrying out further tests which are expected to yield at least 1,3,000 b/d.

Ireland has no indigenous oil GULF OIL, a susbidiary of the

77 seats and need Social Demo-crat support to vote it through.

There is still a faint possi-bility of the Government win-

ning a narrow majority when Parliament debates the package

future in Europe on such an

unreliable majority.

Denmark's departure from the

the EEC, which at this stage seems unlikely, would have

severe consequences for its economy. "A 'no' vote would

destroy our affluence," said Mr

Schlueter this week. In the view of a Danish official who

The same multinational con-sortium of oil companies made a promising gas discovery last year in Celtic Sea block 48/18. That is thought to be similar in size to the nearby Kinsale Head gas field, Ireland's only source gas production which supplies half the country's elec-tricity needs. But it is a com-mercial oil find that has for so long eluded both the oil companies and the Irish

Ireland has no indigenous oil per cent stake. gained 1p to 30p. Government. Why Community reform alarms the Danes

BY HILARY BARNES IN COPENHAGEN

Mr Poul Schlueter, is almost certain to go ahead with his threatened referendum on the ITALIAN MEMBERS of the European Parliament will call today for rejection of the reforms agreed by the Com-munity leaders in Luxem-bourg last month in an effort EEC reforms package agreed at the summit in Luxembourg last month. It is also widely accepted that a negative vote to prevent grudging accept-ance of the package, writes Quentin Peel in Strasbourg. would be the first step in Den-mark's withdrawal from the Community.
The crisis has arisen because the opposition Social Demo-crats, with 56 seats in the 179seat Folketing (Parliament) are opposing the package. The parties supporting the minority coalition government have only

The latest move came after Italian Foreign Minister,

substantial number of MEPs remain profoundly unhappy with the proposals, which would give only a modest boost to the involvement of the Parliament in

Mr Giulio Andreotti, the requested a delay in the pro-

next Tuesday if some Social
Democrats break ranks. Even
if this happens, however, Mr
Schlueter may hold the
referendum on the grounds
that he cannot base Denmark's

hird countries. Agriculture
accounts for 21 per cent of
merchandise exports — slightly
more if sugar and beer are
included.

The Prime Minister and his government are gambling on a positive vote, and Denmark's financial markets apparently think the gamble will pay off. Bond and share prices recovered here yesterday after tumbling on Monday and Tuesday. A public opinion poll published earlier this week may

helped negotiate the Luxembourg agreement: "Denmark ter's resolve to hold a reterent would become a banana dum. While 44 per cent of the Social Democrats as a republic. Who would ever invest those questioned said they wictory for their policies." said would vote against joining the would vote against joining the said a Foreign Ministry official.

The party has explained its Agriculture would suffer on the issue now, only half opposition by saying that it barely mentioned, which goes most. Not only would effect would actually vote to leave. cannot accept the proposed some way to explain why 5m markets be closed to Danish products, but farmers would a 55 per cent majority for lose subsidies for export to remaining in the Community.

package by the Council of Ministers on January 27 in order to consult the Italian

The verdict of both the European and Italian Parliaments is sought by Italy before the Government will lift its reservation on the reforms. The Italian concern is the opposite to that of Denmark, which regards the whole exercise as too radical. In spite of the move by Italian MEPs, backed by West German Socialists, a majority of the European Parliament is expected to opt for a somewhat ambiguous acceptance of the package —

The negative stand taken by the Social Democrats to the

reforms came as a shock to

Other members of the Com-

munity made significant con-cessions to Danish, that is Social

Democratic, points of view

lift its reservation.

The most positive response is proposed by the European Democratic Group—the alliance of British, Danish and ance of prinsh. Jamish and Spanish Conservatives—calling on the Parliament to accept the deal "with great refuetance." British Labour MEPs, on the other hand, want it rejected "on the basis that it gives too much power to EEC institutions."

nough to persuade Italy to

to EEC institutions."

Apart from extra powers for the Parliament, the pack-age would reduce the number of decisions which member states have to take unani-mously and reinforce their co-operation on foreign policy questions.

Denmark's right to conduct its own policies for protecting the

the coalition Government. No one has yet given a credible account of why the party acted as it did. Throughout the autumn it signalled that it would take a constructive line among the party's rank and file which has overwhelmed the leadership. leadership.

Deep-seated national attitudes and superficial tactical political reasons lie behind the developduring the negotiations.

"The Luxembourg agreement could have been presented by the Social Democrats as a Danes voted two to one to join. ment. During the debates which narrow economic self-interest played a dominant role. European integration

members of the Community.
"Danish thinking on foreign policy lacks the external dimension," as a senior British diplomat put it. A Danish academic added: "Our foreign policy has for generations been based on purely selfish considerations."

Virtually no politician is enthusiastic about European union and there appears to be a strong undercurrent of feela strong undercutrent of reci-ling that, in an integrated Europe, the Danes would be lost in the crowd. In contrast, such small coun-

tries Belgium and the Nether-lands see European integration as their guarantee of national survival. Historical experience may explain these deep-rooted differences of attitude. The Social Democrats them-

selves were deeply divided by the 1972 referendum and wounds have never healed, as the 1984 elections to the European Parliament showed. The party can count on winning about one-third of the votes in Danish parliamentary elections but in the European elections it obtained only 19 per cent.
as its supporters deserted in
droves to the People's Movement Against the Common

In its present situation in opposition, the party has had to watch its own opinion poll ratings fail to improve, while support for left-wing rivals, the anti-EEC and anti-Nato Socialist People's Party, has steadily advanced from about 11 per cent in 1984 to 15 per cent to-day. This has been an important factor influencing the party's attitude to the EEC in

Reagan calls for 'real progress' on arms

BY REGINALD DALE, US EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan ton's view that the next step research programme, still the said Mr Kenneth Adelman, yesterday called for "great must be a Soviet response to the progress" in the new round of American offer, which includes US-Soviet arms talks that opens in Geneva today, so as to carry the 50 per cent cut in strategic declaration as implying that the summit to accelerating the November summit to accelerating the summit to accelerating forward the momentum gained weapons, and an interim agree- Moscow is now ready to agree at November's super-powt: ment on intermediate range to progress on offensive systems

arms reduction proposal, tabled Above all, Washington will such "linkage" has really been just before the summit, but be looking to see how far the added that the offer was not "a Soviet side is ready to make take it or leave to proposition."

mmit. missiles, on which both sides separately from the Star Wars Mr Reagan urged Soviet agreed in principle at the sum-issue. US officials, however,

by the summit to accelerating e pace of the talks, Washing ton sees an interim agreement on intermediate-range missiles as possibly the most promising prospect. The US would like to be able to achieve a significant advance in at least some area of arms control in time take it or leave it proposition."

The American negotiators were ready for "tough but honest bargaining"

US officials repeated Washing
The American negotiators were mediate-range missiles in the capture of any agreement on the defensive systems envisaged chance of being met" if there is to be real progress in Geneva, year.

David Buchan reports on the Soviet leader's regional policy

Gorbachev draws allies closer

Gorbachev is proving himself a much more vigorous manager of the Eastern alliance, both in its economic guise as Comecon and military guise as

the Warsaw Pact, than his Kremlin predecessors.

This assertiveness has given Soviet alliance leadership a consistency it lacked in the early 1980s as new alliance managers have been brought in. One of the latest casualties in the seemingly endless changing of the Moscow guard is Mr Konstantin Rusakov, the veteran Soviet central com-mittee secretary responsible for dealing with fraternal Communist Parties.

On the military side, contrary to repeated rumours, Marshal Viktor Kulikov remains the (Soviet) commander of the Watsaw Pact, and last year a new chief political commissar was appointed to the Soviet forces A key part of the job was appointed to the forces. A key part of the job is to liaise with other "agitren" sections in East prop" sections in East European armies. Soviet commanders in East Germany and Czechoslovakia have been

Mr Gorbachet appointed new ambassado. such key alties as Poland and also a new permanent representative to the Comecon organisation.

Mr Gorbachev has seen to it trail materials, biotechnology—that more summit meetings are held. Eastern summits have highly erratic in the past. This agreement, focusing the electronics, robotics, new industrial materials, biotechnology—four areas where the East lags are behind the West—and nuclear treaty of officials as Comecon's version of Western Europe's Eureka



Mikhail Gorbachev . . . shaping the Eastern alliance to

his allies in Prague on his way home from the Geneva meeting with President Reagan. This space Defence Initiative (SDI), not only seemed a conscious matching of Mr Reagan's immediate consultations with Nato allies, but also gave Warsaw Pact leaders Mr Gorbachev's assessments before the rest of the Soviet politburo.

A further area the Soviet politburo. A further area the Soviet leader has been active in is the introduction of new programmes, in particular, the

commanders in East Germany and Czechoslovakia have been replaced.

Mr Gorbachev has also appointed new ambassadors to such key allies as Poland and also a new permanent representative to the Comeron.

A further area the Soviet A further area the Soviet commanders in East the Soviet A further area the Soviet Commanders in East Germany leader has been active in is the introduction of new programmes, in particular, the area the Soviet Commanders in East Germany leader has been active in is the introduction of new programmes, in particular, the agreement signed by Comecon premiers leader has been active in is the introduction of new programmes, in particular, the agreement signed by Comecon premiers leader has been active in the introduction of new programmes, in particular, the agreement signed by Comecon premiers leader has been active in the introduction of new programmes, in particular, the agreement signed by Comecon premiers leader has been active in the introduction of new programmes, in particular, the agreement signed by Comecon premiers leader has been active in the introduction of new programmes, in particular, the introduction of new programmes, in

beind the West—and nuclear the Eastern alliance energy, is described by Moscow officials as Comecon's version of Western Europe's Eureka programme.

Organisation (Nato) and EEC conclaves. In 1984, Soviet and East European Communist Party leaders held their first summit on Comecon business for 15 years. Last year the prime ministers of Comecon member countries—unusually—met twice.

On the political-military side of the alliance, the Warsaw Pact held a summit last October, its first for nearly three years, apart from the formality of its treaty renewal last May.

Even more striking was Mr Gorbachev's decision to brief behind the West—and nuclear the Eastern alliance arengy, is described by Moscow officials as Comecon's version of Western Europe's Eureka programme.

But it has political and military side the year of past US economic sanctions and recent CoCom restrictions on sale of Western high-tech to the East, Mr Gorbachev said Comecon's "technological independence from, and invulnerability to, pressure and blackmail on the part of imperialism depends on our successes in this sphere."

Given the dual use of the Eastern alliance larly outside the pure of Western Europe's Eureka programme.

Perhaps indirectly line that the new accord on high-tech we agreements, Mr Niko wow, the Soviet Prime commented recently the imperialist West mological independence from, and invulnerability to, pressure and blackmail on the part of ism—to the drawing to imperialism depends on our successes in this sphere."

Given the dual use of the technology concerned the agree ment, Short of the exist of the Eastern alliance area, has been far for perhaps indirectly line that the new accord on high-tech we agreements, Mr Niko wow, the Soviet Prime commented recently the imperialism of the part of the imperialism. The commented recently the imperialism of the part of the imperialism of the part of the imperialism actually borrowed from the formal transport of the imperialism actually borrowed the excentions on sale of the imperialism of the

his allies in Prague on his way Soviet bloc's military answer to

ticipating.

satisfaction at seeing how even the fate of one small UK helithe late of one small UK heli-copter company, Westland, can polarise Western defence con-tractors into "American" and "European" camps. But they also know that co-operation in the Eastern alliance, particu-larly outside the purely military area, has been far from good.

Perhaps indirectly to under-line that the new Comecon accord on high-tech will not go the way of past co-operation agreements, Mr Nikolai Ryzhkov, the Soviet Prime Minister. commented recently that even the imperialist West was making "recourse to forms unusual to capitalism, those that are to capitalism, those that are actually borrowed from socialism—to the drawing up of state and interstate programmes of scientific and technical development." such as Eureka, the EEC's Esprit and maybe appen America's SNI

Reinforcing this impression of new-found cohesiveness in the East is the closer co-incidence of Soviet and East European views on foreign policy. There was a fractious period in 1983-84 when Moscow pulled out of disarmament talks with the US and then stamped on efforts by President Erich Honecker of East Germany and President Todor Zhivkov of Bulgaria to keep a "mini-detente" in Europe alive. The prime architect of that

The prime architect of that "cold shoulder" policy, Mr Andrei Gromyko, has been elevated to the Soviet presidency, while like-minded men, Mr Stefan Olszowski and Mr Konrad Naumann, have been dropped from the Polish and East German politburos.

More important, President Reagan, or any other Western leader, can no longer be presented to Eastern Europe as a political leper, after being received with such public warmth by Mr Gorbachev in Geneva.

A trip to West Germany by Mr Honecker, which would be the first by an East German head of state, is a real possibility again this year. So, for the moment, the in-terest of Eastern Europe, espe-

cially Hungary and East Ger-many, in cultivating the West is consistent with Soviet goals, and therefore tolerated by Equally, Moscow has made it clear that its allies are to act "in concert" with itself as

"in concert" with itself as conductor.

Mr Gorbachev's opportunity to shape the Eastern alliance further to his liking increases this spring: the Soviet party congress next month will provide a beacon for subsequent party congresses in most East European countries to steer by.

Four of the six East European leaders are roughly 20 years older than Mr Gorbachev, and their 1986 party congresses will probably be their last in office. Mr Gorbachev will surely have some say, no matter how indirect, in the choice of their successors.

MEP urges farm export subsidies

By Quentin Peel in Strasbourg

MEMBERS of the European Parliament were yesterday urged to seek increased subsidies to export EEC farm surpluses in spite of the likely backlash on world markets.

The plan was proposed by Mr Teun Tolman, the Dutch Christian Democrat author of an important report on reform of the common agricultural policy which caused deep divisions in the ranks of the 518-strong Assembly.

"For too long we have spent too much money on storage costs and too little by means of direct export refunds," Mr Tolman said. He warned that Europe was

on the threshold of a new wave of increases in farm output when there was already no balance between supply and demand. But he faily rejected sharp price cuts for farm products, or the imposition of strict quotas on cereal production, as part of any package of reform

Increased export subsidies were attacked sharply by Dame Shelagh Roberts, the British Conservative chair-man of the External Trade Committee.

"We cannot forever protect the agricultural industry from the disciplines of the Gatt," she said. To do so would place in jeopardy the negotiations on a new round of the agree-ment to reduce international tariff barriers.

Other MEPs warned that the reforms would inevitably eost money. Mrs Magdalena Hoff, West German Socialist spokesman for the Budget Committee, said the im-mediate cost was likely to te even greater than the short-term budget burden of the present policies.

present policies. Mr Frans Andriessen, the Mr Frans Andriessen, the Commissioner responsible for agriculture, defended the Commission's reform proposals providing for a combination of helding down prices and imposing a "coresponsibility" tax on farmers to help pay for the cost of disposing of surplus production. The Commission has ruled out quotas as too bureaueratic and difficult to administer.

Mr Andriessen warned that with the value of food in storage now more than Ecu 3bn (£5.4bn), "the quantities involved not only depressed market prices within the Community and on the international markets but also means very substantial costs for storage and interest payments."

Surpluses warning, Page 32

Dissident Poles may face prison

By Christopher Bobinski in Warsaw

MEMBERS of "Peace and Freedom," a new Polish dissident group dom," a new Polish dissident group arguing for a nuclear-free, neutral Europe, could soon go to prison fol-lowing a decision this week by a Warsaw misdemeanours court to uphold a 50,000 zlotys (\$330) fine on five of them. The group is made up of Solidari-

ty supporters, but it differs from the banned movement in adopting open civil disobedience as a method of est and maintaining contacts with Western peace movements. Members of the group have sent

back their military registration cards, which all Poles eligible for military service are supposed to keep, in protest at the continued imprisonment of Mr Marek Adamkiewicz. While in the army, he refused to take the military oath and was sentenced to 2½ years in prison in December 1984. He was protesting at the text of the oath which includes allegiance to the Warsaw Pact and not merely to the defence of the country.

The Peace and Freedom group is demanding that the text of the oath be changed. Just before Christmas, one sym-

pathiser from Gdansk who refused to do his military service in protest at the army's role in imposing mar-tial law in 1981 was sentenced to 3% years in prison.

 Poles and gypsies have raised demands for compensation from West German companies for their forced labours during the Second World War, writes Leslie Colitt in Berlin.

The calls for indemnification follow the payment last week of DM 5m (\$2m) to surviving Jewish forced labourers under the Nazis. It was made by Feldmühle Nobel, previously part of the Flick Group, which employed unpaid forced labour.

The Polish media calls for indemnification for hundreds of thousands of Poles who were slave labourers in Nazi Germany. It was noted that most of the foreign workers in Germany at the time were Poles, followed in number by Soviet

East Europeans who suffered under the Nazis were not compensated by the West German-Government, which paid \$25bn in restitution to Jews in the West for individnal losses.

The West German Central Council of Sinti-and Romany Germans: said it had written to the Deutsche Bank about compensation for gyp-sies who were forced labourers at Flick. The Flick Group is being sold to the Deutsche Bank, which will offer the shares to the public.

The gypsy organisation, which represents about 50,000 people, said only a few hundred gypsies in West Germany, who were forced labourers, were still alive. It called on German industry to create a fund for them and to pay a symbolic compensation as had been done with the Jews."

Several German companies which employed forced labourers paid compensation after the war, but many others did not. East Germany has refused any restitution to persons who suffered under the Nazis, arguing that it is not a legal successor to the German Reich. It does, however, pay special pensions to victims of Nazi persecution who live in East Germany.

Nuclear fusion research to be pooled

By Daniel Marsh in Paris

THE US. Japan and the EEC yesterday agreed to pool their research efforts in nuclear fusion technoloby aimed at pro-viding an almost limitless energy source in the next cen-

The agreement, signed in Munich, will provide for exchanges of information about the workings of their separate Tokamak fusion reactors. These are devices providing condiare devices providing condi-tions — at temperatures approaching 100m deg C — under which the heavy isotopes of hydrogen, tritium and deu-terium can fuse, releasing energy by duplicating the chemical reaction that provides

heat from the sun.
Negotiated under the auspices of the Paris-based International Energy Agency, the agreement is intended to reduce duplication of research. Costs of nuclear fusion re-search run into hundreds of millions of dollars, although there is no prospect of fusion becoming commercially prac-ticable until well into the next

Le Pen wins suits

MR JEAN-MARIE Le Pen, leader of the extreme right-wing National Front in France, yesterday won five defamation suits over allegations that he tortured prisoners while in the army during the Algerian war of independence, AP reports from

He was awarded a total of FFr 39,000 (\$5,177) in damages and

Suharto braced for difficult times **Indonesia suffers** economic setback as oil prices slump

BY ALAIN CASS. ASIA EDITOR, RECENTLY IN JAKARTA

RICH INDONESIANS like to RICH INDONESIANS like to soop in Singapore, Hong Kong and Paris. They throw lavish wedding receptions, drive ex-pensive cars and wear an abundance of jewellery. They do not exactly flaunt their wealth but they are not coy about it either.

The oil boom has been good

to Indonesians—at least to some of them. Billions have been spent on development. Fortunes have been made and foreign companies—led by the Japanese and the Americans—have cashed in on the bonanza.
But all that is changing.
The world's fifth most popu-

lous nation is in serious economic trouble and there are economic trouble and there are no immediate prospects of a rapid recovery. Faced with shrinking oil and gas revenues which account for 60 per cent of the state budget and 70 per cent of export earnings it has slashed spending for the fourth

year running.

Economic growth, forecast at 5 per cent, was down to 3 per cent last year and is dropping. "With no apparent rise in oil
prices, we may be witnessing
a structural change in Indonesia's economic prospects."

said one economist. Although last week's draft budget presented by President Suharto was the first time planned spending was cut in 17 years, the move was part of a belt-tightening process which began in 1983 and which has become progressively more painful. In his speech President Suharto, who warned of a difficult and hard field of struggle ahead," announced there would be no new projects this year, that overall spending would be cut by 7 per cent and development expendi-

ture by 22 per cent.

Most observers agree that
President Suharto has acted
courageously. But for the man
who likes to be known as the
father of Indonesian development, the downward spiral of the country's economy follow-ing the oil boom years when expectations soared and rapid increases in wealth secured political stability, the recession represents a clear setback.

President Suharto. 64, whose

term of office expires in 1988, will almost certainly want to stay on into the 1990s. Most of his advisers agree that the worst is not yet over for this country of 13,000 islands which stretch across an area wider

than the US. Economic hard times for Indonesia are also likely to rule out any relaxation of political freedom which has been tightly controlled by the army-backed Government. Although there are no signs of widespread social unrest

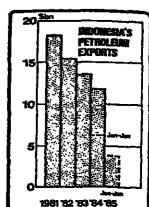
there are some fears that a discontent among the young, year is manageable and f the urban poor and, especially, reserves are over \$10bn. the growing number of Islamic Indonesia can call on over fundamentalists. Dissent, barely \$2.5bn in commercial borrowing

projected output of 1.3m barrels a day and an average export price of \$29 per barrel.

The actual daily output has a veraged 1.18m bdf and the verag The actual daily output has that," said one US banker. averaged 1.18m b/d and the price has dropped to less than \$27 per barrel. Each \$1 drop in price slashed more than \$300m example, have to do without

The initial impact of an increase in receipts from liquefied natural gas (LNG) exports as major, new installations came on stream is unlikely to be repeated since LNG export prices are largely tied to the average export price of Indonesian crude oil.

Budget planuage have based with 11.8m new job seekers each year by tackling the mismanagement, waste and corruption.



export price over the current year—but with some analysts predicting an oil price war in the coming months Presidem Suharto's advisers concede that a more drastic decline in world oil prices could force further cuts in spending.

After several years of healthy growth, economic activity grey by no more than around 3 per cent last year. "There are already signs of stagnation. A collapse in oil prices to below \$22 2, barrel could spell real trouble," one diplomat said. The problem is compounded by the poor performance of non-oil exports. With the exception of coffee, world commodify prices remain depressed. After a growth rate of 17.2 per cent in 1984 generating \$5.87bn non-

oil exports grew only man-ginally last year. Indonesia's small but growing industrial sector is mired in a slump with many concerns
operating below capacity and a record number close to bank

ruptcy.
Japanese companies, by far the largest foreign investors in Indonesia, recently announce that over 40 per cent of their joint ventures were losis

Other factors likely to came problems are the continued slowdown in the world economy, increased protectionism likely to affect Indonesia's troubled textile sector and increased debi repayments estimated to reach \$bn (£2.9bn) this year. Indonesia's foreign debt totals

The net effect of all this had news is that the prestigious fourth five-year plan, Repelia IV. inaugurated in 1984, is already in shreds. Large capital outflows—Indonesia has no foreign exchange controls—nd a drop in both foreign and domestic investment foreshadow

There are some bright spets.

even slower growth.

Indonesia, once the world's largest rice importer, is now self-sufficient. The current in living standards could fuel account deficit of \$2.8bn ks year is manageable and foreign Indonesia can call on over tolerated, is likely to be even more harshly dealt with.

The basic cause of Indoesia's economic problems lies in the slide in oil and gas prices. Last man who is unlikely to call on the slide in oil and gas prices. Last

from Government receipts.

The initial impact of an inidicate that the regime is confident enough to ride out the

Budget planners have based which are partly responsible for their estimates on a \$25 a barrel the country's problems.

Third World nations urged to expand capital markets

BY SAMUEL SENCREN IN MANILA

and escape the debt trap, says the Manila-based Asian Devel-opment Bank in an exhaustive study on capital markets in

Asia.

The study, which focuses on South Korea, Indonesia, Pakis tan, Philippines, Sri Lanka and Thailand, is being discussed in detail by international bankers and finance specialists from 20 countries in a three-day symposium here presided by former US Treasury Secretary, Mr Henry Fowler.

Bankers attending the meeting generally agree with the

ing generally agree with the findings of the two-year study that the capital markets in the six countries were inefficient sources of medium- and longterm funds for investment. The situation, which is probably true with the rest of the Third World, has led to an unbalanced structure "that is heavily skewed toward the provision of debt."

Companies and even govern-ments resort to borrowings to finance capital-intensive pro-jects, only to meet repayment problems later. What the study proposed was

DEVELOPING countries must a wide-ranging structural re-expand their domestic capital form at both government and markets if they are to achieve private sector levels. high rates of economic growth The ADB president, Mr and escape the debt trap, says was taking the initiative in helping develop the capital markets in the area by ventur-ing into direct equity investment and lending to private sector without government guarantees.

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Chinese reject **Soviet** pact plan

THE CHINESE Government said publicly for the first time yesterday that the Soviet Union for many years had proposed a mutual non-aggression treaty, and China categorically rejects the idea, AP reports from

A Foreign Ministry spokes-can repeated China's stand that political normalisation can only be achieved through the removal of "three obstacles" separating the Communist

Those obstacles are the Soviet troops in Afghanistan, Soviet backing for Vietnam's occupation of Kampuchea, and the heavy deployment of Soviet troops along the Chinese bor-

der.
"We have time and again
the removal of reiterated that the removal of the three obstacles is the only way to normalise Sino-Soviet relations because it has a bearing not only on China's security but also on the upholding of international justice," Li Zhaoxing, a government spokesman

The spokesman also dismissed an Afghan government claim that China is arming and training Afghan resistance guerrillas. The Babrak Karmal Government in Kabul made the allegation in a "white paper" allegation in a "white paper" presented to the UN in late

The Chinese spokesman said: "Recently, while carrying out their military suppression of Afghan national resistance forces, the Soviets and the Karmal authorities have made false charges against China. This is an habitual deception which has been through by all people and is not worth. by all people and is not worth refuting."

The official repeated China's denial of statement by Mr security at the main Spanish Last Friday, Mr Fernandez Hosni Mubarak.

Mikhail Kapitsa, the Soviet Deputy Foreign Minister, that the China's and at other potential Ordonez summoned Arab The absence Deputy Foreign Minister, that the China's accurate a three decisions and at other potential Ordonez summoned Arab The absence relations with Issue three decisions are the sole foreign that the China's security at the main Spanish decision and a property of the summoned Arab through the summoned and solve foreign the solution of the solution of the franco years. ministers will exchange visits

• The Soviet and Japanese foreign ministers, meeting in to Israel Tokyo yesterday for the first high-level talks in eight years, candidly discussed "Star Wars," the Soviet military build up in Asia, and other points of East-West friction but also re-affirmed their desire to improve

long-strained ties.
Mr Edward Shevardnadze,
the Soviet Foreign Minister, cautioned Japan about a pos-sible endorsement of the US strategic defense initiative, while his Japanese counterpart voiced concern over the bolster-ing of Soviet naval and nuclear missile power in Asia, said a Foreign Ministry official, who spoke on condition that he not be named.

Thai Cabinet reshuffled after election upset

THE THAI Government last night announced a major cabinet reshuffle involving members of the Social Action Party, the lagrest grouping in the four-party coalition.

The shake-up came one day after Mr Kosol Krairiksh, the Commerce Minister, tendered his resignation over the failure of his programme to guarantee paddy prices for Thai farmers, who earlier held a series of

been meeting continuously. That indicated that units

loyal to the head of state were at least in control of the transmitter but little else. Other reports indicated no clear resolution of the conflict between the supporters of the pragmatic leader of the People's Democratic Republic



armed forces owing allegiance

who advocate even closer ties to Moscow.

The fate of Mr Ali Nasser Mohammed remained unclear and the fact that he did not speak himself on Radio Aden day's reports that he had been badly wounded in the coup attempt on the previous

There was no confirmation either that his rival and opponent, Mr Abdul Fattah Ismail, had been executed with three of his supporters on Monday.

A rebel radio station broadcasting from Lahej, about 30 miles north of Aden, said that the four men

were still alive.

Confusing the picture further, two Arab newspapers of the region. Al Seyassah of Kuwait and Al Ittihad of Abu Dhabi, re-ported that the second lead-ing figure reported to have been executed had been killed in the coup attempt.

They said that Brig Ali Ahmed Nasser Antar, a former Vice President and Minister of Defence, had been shot dead after he pulled a gun and attempted to kill the head of state after

Al Seyassah reported that Ali Nasser Mohammed, who has been president since 1980, was wounded and taken

to hospital but that other leaders of the coup attempt had been seized, tried and executed.

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Foremost among them, according to Radio Aden's initial account of the savage showdown three days ago, would have been Mr Abdul Fattah Ismail, head of state for 19 months in the 1978-80 period, who was Mr Ali Nasser Mohammed's predecessor as head of state and who only returned from Moscow about a year ago. He re-gained his place in an enlarged YSP politbureau in

October. Mr Ali Nasser Mohammed started to improve relations with the conservative Arab states of the region after Mr

Abdul Fattah Ismail's resignation and departure for the Soviet Union in 1980 for "health reasons." according to the official version at the

Reports of the fighting yesterday indicated that units of the Air Force, where the infinence of Soviet and Cuban advisers is probably stronger. were pitted against the Army. Aircraft bombed Aden in-ternational airport and the

It quoted Japanese trade company representatives as saying that Aden was a battlefield with air, telex and telephone links cut. Only shipping radio communications remained intact.

harbour district, according to

rights of strikers in S. Africa By Jim Jones in Johannesburg

Court backs

STRIKERS' RIGHTS were entrenched in South Africa this week when the Pretoria Supreme Court found against the Marievale Gold Mine which had sacked 900 men who were participating in a legal strike following a break-down of wage negotiations last September. Marievale, which is part of the

Gencor Group, claimed at the time that it was legally entitled to dismiss the striking miners, and this was upheld by the Rand Supreme Court in Johannesburg. However, the National Union

of Mineworkers (NUM), which represented the men took the case to the Industrial Court (IC) for a ruling.

In November the IC compre-bensively criticised Marievale's

handling of the dispute and said that the NUM had actively pursued mediation and arbitra-tion during an industry-wide dispute. It instructed the mine to re-instate 390 union members on the grounds that the mine's unfair.

Marievale responded that it would rather pay out the men as their jobs had been taken by replacements and the mine appealed against the IC's finding to the Pretoria Supreme

Court. Gencor, which Africa's second largest mining house and is controlled by Sanlam, the Afrikaner insurance group, strenuously denies allegations that it is adopting a confrontational approach to emergent black unions or that its mines' mass dismissals are a form of union-busting. However, last week Impala non-union striking miners at its Bophuthatswana mines.

S. Yemen leader's fate unclear as fighting continues

THE state-owned Radio Aden resumed transmissions yesterday for the first time since Monday night saying that "Government forces"meaning those loyal to President Ali Nasser Mohammedhad regained control of the country. It claimed that the politbureau of the ruling Yemen Socialist Party had

of Yemen and units of the



to the more doctrinaire Marxists of the ruling party

Israel's inflation rate slumps ISRAEL'S inflation, which hit The Israel Manufacturers economy pushed inflation up

ISRAEL'S inflation, which hit a record 445 per cent in 1984, Association, the representative fell to 185.2 per cent last year. The Government is hailing this as a major triumph for its economic policles.

In the wake of this success the Treasury is planning to ask the unions to agree to abandon the traditional automatic linkage of wages to the retail price index. This indexation is generally regarded as a key element in maintaining the price spiral and in blocking efforts during the early 1970s of around 50 per cent to 188 per cent inflation recorded in December made a sharp reduction in interest in early 1984, helped to cool down the frantic pace of price increases. This was reinforced in the second half of 1985, by a statutory freeze enforced by that even the worst loan sharks never dreamed of demanding."

Israel has suffered from an annual average during the early 1970s of around 50 per cent to 188 per cent in 1978.

A voluntary wages and prices freeze, agreed with the unions in early 1984, helped to cool down the frantic pace of price increases. This was reinforced in the second half of 1985, by a statutory freeze enforced by that even the worst loan sharks never dreamed of demanding."

Israel has suffered from an annual average during the early 1970s of around 50 per cent to 188 per cent in 1978.

A voluntary wages and prices increases. This was reinforced in the second half of 1985, by a statutory freeze enforced by the Government. Since the freeze was implemented five months ago, inflation rose by only 14 per cent, the longest triple-digit inflation was proved a provent and the price are freeze was implemented five months ago, inflation rose by only 14 per cent, the longest triple-digit inflation since the freeze was insperienced of sustained price in 1978. element in maintaining the never dreamed of demanding." months ago, inflation rose by price spiral and in blocking Israel has suffered from only 14 per cent, the longest efforts during the past eight triple-digit inflation since the period of sustained price years to bring inflation under 1977 liberalisation of the restraint the country has control.

Spain on brink of diplomatic ties

BY TOM BURNS IN MADRID

Press comments in Madrid this year.

Suggested that the announcement could be made on Friday Mr Narcis Serra, the Defence when Mr Francisco Fernandez Minister, returned from an Ordonez, the Foreign Affairs official visit to Egypt where Minister, returns from a tour of officials said he explained the Spain's entry into the European Community has increased pressure to end the anomaly.

Plans in the past to normalise relations with Israel have been stalled by fears of an Arab backlash.

Spanish decision to President

The absence of diplomatic relations with Israel is virtually expectations yesterday of an meeting in his office and imminent decision by the informed them that the Government of the Franco years and their ment would be exchanging to Israel.

The press comments in Madrid to a reisions with israel is virtually meeting in his office and the sole foreign policy leftover of the Franco years and their ment would be exchanging establishment has been on the ambassadors with Jerusalem within the first six months of Spain's entry into the European Community has increased pressured that the appropriate of this year.

WORLD BANK STUDY CRITICISES POLICIES

Egypt falls short on 5-year plan

EGYPT has fallen well short of to a 1985 World Bank study which is also critical of the plan. The report, recently circulated among international agencies and western Governments, says the 1982-83 to 1986-87 plan "sets ambitious goals" but contains "little to indicate the specific policies needed to reach these goals."

Gross domestic product
(GDP) growth in the first two years was about 6 per cent com-pared with a target of 8.5 per cent. The domestic savings effort has not shown any significant improvement and investment has fallen short of the plan's expectations, the report

The World Bank estimates that real investment grew by that real investment grew by 2.9 per cent annually during the first two years of the plan, well below the 10.5 per cent target. The five-year plan had in fact anticipated a virtual doubling of rates of domestic saving and a continuation of high growth rates of investment.

Egypt has refused an Israeli request for a report on the killing last year of seven Israeli tourists by a policeman who was subsequently jailed for life, Egypt's refusal complicates efforts by the two countries to resolve their Taba territorial dispute. Israel's Cabinet this week approved measures providing for possible arbitration to settle the dispute but which also included a request for a report on the murders.

\$24.1bn by mid 1984, giving a from the official rate to the market exchange rate.

— a figure that corresponds with the estimates of the limited. with the estimates of the Inter-national Monetary Fund.

The World Bank says that since 1974 (the year of the open door policy instituted by the late President Anwar Sadat,

sources of foreign exchange are being squeezed) will have productive assets in the public sector" if it is to maintain reasonable rates of growth. The bank outlines what it describes as a minimum package of necessary policy reforms, which include:

Raising energy prices to world parity over 10 years beginning in 1985-86. This policy assumes that all public sector enterprises would pay the increased charges. Shifting the exchange rate

from the official rate to the market exchange rate.

Implementing a limited increase in public enterprise prices, so as to yield additional revenue of about 0.5 per cent of GDP per year by the end of 1991-1992.

"The pace of adjustment assumed here may appear quite rapid compared to the relative lack of action in the past." the

paddy prices for Thai range who earlier held a series of rallies in Bangkok

The party was shaken by a Bangkok election defeat and the resignation of its longtime leader, former Prime Minister Kukrit Pramoj.

Three other SAP Cabinet members. Mr Prayon Chindasilp, Deputy Commerce Minister, and Deputy Interior Minister, and Deputy Prime Minister, Mr Boonthat Prime Minister, Mr Boonthat Prime Minister, Mr Boonthat Thongsawasdi, also a SAP member, was replaced by the acting SAP leader, Mr Siddhi Savetsila, who is also Foreign

Minister.

The five-year plan had in fact anticipated a virtual doubling of rates of domestic saving and a continuation of intig proving public investment) Minancial creation of interior Minister and Deputy Interior Minister and Deputy Interior Minister, and Deputy Interior Minister, and Deputy Interior Minister, and Deputy Prime Minister, Mr Boonthen Thongsawasdi, also a SAP member, was replaced by the acting SAP leader, Mr Siddhi Savetsila, who is also Foreign

Minister.

Gemayel loyalists 'capture rebel Christian leader'

Gemayel's main Chirstian rival, a Syrian-sponsored peace pact
Mr Elie Hobeika, surrendered Mr Hobeika had signed with

They said that Mr Hobeika called army commanding Gen Michel Aoun by radio from the hunker of his beseiged headquarters to say that he had ordered his men to lay down their arms. They said two armoured personnel carriers were then despatched to evacu-ate Mr Hobeika and senior

had the President apparently Saudi press agency reported his tonnes isolated.

Mr Gemayel's victory also on the purpose of the visit.

LEBANESE President Amin dashed hopes of implementing yesterday as loyalist forces
stormed his headquarters near
Beirut harbour behind a tank
and gunboat barrage after eight
hours of heavy fighting,
military sources told AP.

The Hobeira had signed with
Moslem warlords on December
28 to end Lebanon's 10-year
civil war. The President
opposed the pact with other
Christian politicians, who
military sources told AP.

The President
opposed the pact with other
charged it surrendered too

much provide to Lebanon's much power to Lebanon's Moslem's after four decades of Christian domination

Reports of the surreder came as Mr Walid Jumblatt, the Druse leader and the Shi'ite Moslem chieftain Mr Nabih Berri, who signed the treaty with Mr Hobeika, met in West Beirut to aides.

Mr Hobeika's surrender bolstered Mr Gemayel's prestige among Lebanon's 1.5m Christians. crushing challenge by the 29-year-old former bank clerk that only two days ago had the President apparently isolated.

discuss what aides called "ways of coping with the current betrayal of the peace accord."

Syrian Vice President Abdullatim Khaddam, arrived unexpectedy in Riyadh yesterday for talks with Saudi clerk that only two days ago Arabian King Fahd. The official Saudi press agency reported his arrival but did not obtained. discuss what aides called "ways

Zambia clears obstacles to deal with IMF By Patti Waldmeir in Lusaka

ZAMBIA has repaid some SDR 115m (£87m) in arrears to the International Monetary Fund (1MF), removing the last major obstacle to agreement on an IMF standby programme for

1986. A team of IMF officials arrived in Lusaka late last weck for consultations which should make it possible to reach final agreement on a new standby

credit by mid-February.

Zambia can expect to receive some SDR 100m under the proposed programme in 1986, as well as up to SDR 60m from the Fund's compensatory finan-cing facility because of an unexpected shortfall in earnings from the country's major export, copper. Copper production last year is understood to have fallen as much as 100,000 Platinum, another Gencor tonnes short of the Governgroup company, sacked 20,000 ment's 1985 target of 525,000

> All these Bonds having been sold, this announcement appears as a matter of record only.

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Curação, Netherlands Antilles

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Japanese raise stakes in Soviet contracts race

THE international bidding for with Kobe Steel of Japan. two large process plant con-tracts in the Soviet Union, together thought to be worth over \$4bn (£2.8bn), has intensi-fied with the emergence of Japanese financing offers. The other project is for a polyolefine plant at Budyonnovsk in the north Caucasus to produce 250,000 tonnes annually of ethylene. The bidders here include: John Brown of the UK; Technip

According to reports in Tokyo, Japanese consortia are offering long-term credit at of France; Montedison of Italy; rates of 6.7 to 6.8 per cent in and a Japanese consortium of the hope of beating competition from the UK, West Germany, If and Co, Mitsui Shipbuilding and Italy.

The Soviet Union is expected soon to award contracts for the plants, both of them on a "turnkey" basis (where the victorious contractors have final responsibility for building and commissioning).

One project is for a polyester textile complex at Blagoveshchensk in western Siberia, which could cost \$2.8bn to build, producing 230,000 tonnes a year of terephthalic

Ericsson awarded Brazilian orders

M. ERICSSON, the Swedish telecommunications and elec-tronics group, has won orders worth \$100m (£69.9m) from the Brazilian Government owned Telebras PTT.

Included are several contracts for local and transit AXE digital telephone exchanges for about 600,000 subscriber lines which are to be installed throughout Brazil starting in

The group's Ericsson do Brasil subsidiary, which is to manufacture and deliver the equipment, won the contracts in competition with Siemens, NEC and ITT.

The biggest order, providing finance at 7.3 per 300,000 local lines, will be sup-cent, with the consortium complied to Telesp of Sac Paulo. Another large contract has been signed with Embratel, the long-distance administration. Both are traditional Ericsson custo-

The contenders include Davy McKee, with ICI technology and associates in West Germany and Finland; Unde of West Germany; and Nissbo Iwai

lower rates to be offered in low smaller orders for local exchanges from other Telebras subsidiaries as "breakthroughs" in its competition against the Japanese and German suppliers on the Brazilian markets. The group described several

NOTICE OF REDEMPTION

According to the Japanese

daily Nihon Keizai, the

Japanese Export-Import Bank is

This rate appears to be in line with informal rules set by

the Organisation for Economic

Co-operation and Development

for export credit, which allow lower rates to be offered in low

shouldering

To the Holders of

Engineering.

difference.

WESTPAC BANKING CORPORATION

127/2% Subordinated Bonds due 1992

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Trust Deed dated January 31, 1985, \$10,000,000 principal amount of the above described Bonds has been selected for redemption on February 18, 1986 at a redemption price of 101% of the principal amount thereof, together with accrued interest to said date, as follows:

On February 18, 1986, the Bonds designated above will become due and payable as aforesaid in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts. The said Bonds will be paid, upon presentation and surrender thereof with coupons due January 31, 1987 and subsequent attached, at the option of the holders subject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt (Main) or London, or Krediethank S.A. Luxembourgeoise in Luxembourge, or Swiss Bank Corporation in Basle. Payments at the offices referred to above will be made by a check drawn on, or by a transfer to, a United States dollar account maintained by the payee with a bank in New York City. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds if payees who are not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-9, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury that the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of 350. Please therefore provide the appropriate certification when presenting your securities for payment.

On and after February 18, 1986 interest shall cease to accrue on the Bonds herein designated for redemption.

Dated: January 16, 1986

WESTPAC BANKING CORPORATION

Airbus and Boeing step up war of words over subsidies

Battle for airliner sales intensifies

sales hots up between Boeing and Airbus Industrie.
Boeing has not paid any taxes for six years," says Aerospatiale, the French shareholder in the Airbus Industrie airliner manufacturing con-sortium. True, concedes Boeing. "But with the money not paid "But with the money not paid in taxes we've done a lot of better things for our country." "Production subsidises for Airbus have amounted to more than \$10bn," says Boeing, False, says Mr Robert Whitfield, Airbus vice president in charge of finance. "Government support in the form of reimbursable advances, which are being reimbursed, is less than half that, more like \$4bn," he says.

With both groups trying hard to tie up world-wide manufacturing agreements to back aeroplane projects, 1986 is likely to be a vintage year in the war of words between the two manufacturers.

Boeing is negotiating a joint

project for the 1990s.

Airbus is trying to match
Boeing's efforts with a production agreement of its own

with the Japanese, but is clearly starting a long way behind.

Boeing, smarting under a drive by Airbus to capture

against Airbus under the General Agreement on Tariffs

Australia strengthens

offsets policy

AUSTRALIA is to strengthen its offsets policy, which requires foreign contractors to

pass on work on government deals to Australian industry. Under the tightened policy, announced yesterday, sup-pliers of government conpliers of government con-tracts worth at least A\$2.5m

(£1.2m) must provide offset work equivalent to 30 per cent of the imported value of

the contract. Purchases with imported content of less than 30 per cent are exempted. Under the old policy the 30 per cent offset require-

ment was interpreted merely as a target and pursued on a best endeavour basis. Over the 14 years that the policy

was in place, foreign sup-pliers made total commit-ments of A\$1.5bn, less than

half of which were actually

From March this year, no

government contracts will be signed unless firm offsets arrangements are agreed. The

Among the acceptable types of offsets are the transfer of new technologies to Austra-

lian industry, the production in Australia of parts of the

fulfilled.

and Snewy Engineering.

Boeing is negotiating a joint venture in Japan, adding to existing co-operation over the 767, to bring Japanese com-panies into a future 150-seater

Michael Donne in London and David Marsh in Paris conclude a series on Boeing and Airbus with an analysis of

aircraft makers

international market share it meets Boeing head-on, it is across an increasing range of always the giant from Seattle airliner types, has stepped up which cuts prices first. But its assault on Airbus's financial Airbus clearly relishes the fight. acking. "Whenever we get a chance Boeing contends that, as a of a sale," argues Mr Jean overnment-sponsored organi- Peirson, the combative Airbus Boeing contends that, as a government-sponsored organisation, Airbus is heavily subsidised and has an unfair competitive advantage.

Boeing has taken its compositive advantage.

Boeing has taken its compositive at the US Government in the U

However, for diplomatic and political reasons—above all to help its marketing thrust with US airlines, where Airbus has These attacks are bitterly resented by Airbus and its shareyear's success with Pan Ameri-

representative, argued that Air-bus financing arrangements were defendable according to officials like to point out with equal insistence that Boeing has benefited from considerable direct and indirect US Govern-ment help in building up its dominant post-war position in the world jet airliner business. Gatt rules. The government proposed joint informal talks later this year to try to take some of the heat out of the

Airbur's lack fo financial accountability—as a consortium set up under French law it publishes no accounts—enables it to undercut Boeing prices in keenly contested deals such as the controversial A-320 order controversy. controversy.

European governments are clearly hoping that the Airbus/Boeing controversy will not be allowed to descend into the political arena. In a similar, although less wide-ranging, affair in 1984, Transpace Carriers at US commany formed to

benefiting Europe's Ariane space rocket. the growing tensions between the two

The effect should have diminished last year and will probably tail off further in 1986 as a result of a revival in airliner sales and a possible slow-down in US defence spending,

trialists makes much of the finance and technological bene-fit to Boeing after World War II of its ability to transfer expertise in military bombers and transport jets into the civilian

Boeing retorts that it put a large amount of its own money

SRYE.

riers, a US company formed to market satellite launches on the Thor Delta rocket, filed a peti-tion with the US Government alleging unfair pricing was

The action was quietly buried after the Ariane backers argued that the US space agency was subsidising space flights to a far greater extent than the Europeans.

Boeing admits that sharply increased US government mili-tary and space orders over the won from Indian Airlines in September, Boeing claims.
Boeing's president, Mr Dean Thornton, said last year that Airbus's aggressive marketing was driving his company paranoic."

Airbus argues that, whenever Airbus argues that, whenever in 1981.

sented by Airous and its shareholders—Aerospatiale, Messerschmitt Boelkow Blohm (MBB), anxious that the row over
British Aerospace and Casa of financing with Boeing should
Spain. They see the Boeing
claims as an inevitable reaction
to a foreign rival, aided by the
to a foreign rival, aided by the
general competitive boost given

year's success with Pan Ameriinto government-spousored military projects. The 747 jumbo
was developed using technology
acquired in a US military transport jet programme — but the
aircraft is of a different design,
Boeing says.

The company says that it has

TDK to start production at former Grundig plant

BY IOHN DAVIES IN FRANKFURT

JAPANESE company is plan- Japanese company plans further ning to make audio and video expansion.

cassettes at a plant shut down Grandig considered that its casseries at a plant shift down terming considered that is more than a year ago by video cassette operation at Grundig, the West German consumer electronics group controlled by Philips of the Netherlands.

TDK, the Japanese consumer electronics group aims to Kneet Standards. The 400 employees were offered jobs at a consumer electronics group, aims to Kneet Standards.

strengthen its long-term posi-tion in Europe by embarking on local production at the plant

strengthen its long-term position in Europe by embarking received inquiries from several possible buyers, but is proposing to conclude a deal with TDK because the Japanese company's plans would provide the great-closed the plant in October 1984, a few months after Philips took over management control of the group in a complicated deal with Mr Max Grundig, the West German concern's founder.

The company says that it has received inquiries from several possible buyers, but is proposing to conclude a deal with TDK because the Japanese company's plans would provide the great-est number of jobs.

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founder.

Grundig is on the point of Krupp Industrietechnik GmbH selling the factory to TDK and although the West Germans (£1.12m) order to build a distilstress that the deal is not yet complete, a signing ceremony is planned for next Monday.

is planned for next Monday.

TDK is expected to begin production later this year and to employ initially about 150 is expected to have a daily capaworkers, but it is believed the arrangements are agreed. The Government will publish names of suppliers who fall well short of their commitments in order to apply pressure on them to comply. Offsets are required on all civil and defence purchases, except those made by certain agencies including the Australian National Railways, Australian National Railways, Australian National Line, and Snewy Mountain

Seoul acts on copyright SOUTH KOREA has announced

it plans to introduce copyright initiated an investigation of legislation this spring, and will either join the Berne Copyright Convention or the Universal Copyright Convention or the Universal Copyright Convention lose \$170m (fil8m) annually in in 1988 to provide protection for foreign-copyrighted works, writes Steven B. Bufler in Secul.

The approximate the second of the convention of The announcement is likely

to disappoint Washington, which has been pressing Seoul for immediate adoption of stronger measures to protect intellectual property.

lation plant for drinking alcohol in Hungary.

pirating in Korea.

The South Korean Govern-ment said it had formed an ment said it had furned all advisory committee to help draft legislation which is expected to pass the National Assembly in March or April. The law would also strengthen protection for Korean authors.

m Anstrana of parts at the equipment covered by the contracts, or Australian participation in the design and development of the equipment. Talks may boost Gatt round

BY PAUL CHEESERIGHT IN BRUSSELS

Mountain

INFORMAL talks between the world's three major trading world's three major training powers—the US, Japan and the European Community — and Canada could have a crucial bearing on the prospects for a new round of international trade liberalisation.

The talks, part of a regular series, start today in San Diego. The European Community is the European Community is thoping that they will increase the momentum for a new round, which will take place within the General Agreement on Tariffs

General Agreement on Tarin's and Trade (Gatt).

Mr Willy de Clercq, the Community's external relations commissioner, will also discuss with Mr Clayton Yeutter, the US Trade Representative, steps to lower the level of commercial tension on issues like steel trade restraints.

restraints.

Mr de Clercq will have a first starts formal work on setting meeting with Mr Hichio out the ground for the interpolation as Minister of Trade and industry for Japan, and talk with Mr James Kelleher, as wholly informal so that other

trading powers will not think that deals are being done be-The European Community should set up an export credits agency, to act in a complementary fashion to national institutions, Mr Willy hind their backs. But the agenda suggests that the four powers will be plung-ing into the issues that are ing into the issues that are likely to figure prominently in the new round. These issues include import safeguards, the protection of intellectual property and the working of the Gatt disputes procedure.

Even more significant for the national institutions, Mr Willy de Clercq, the external relations commissioner, has suggested. He provided no details of his idea which is now being defined by Commission officials. The suggestion revives a proposal current in the 1970s but never followed through.

Even more significant for the progress of the Gatt round, the Community and the US are likely to rehearse arguments about the subsidisation of agri-cultural trade, bound to emerge as vital to the future of the Gatt round. Canada's Trade Minister, on difficulties in the beef and shoe

Gatt round.

Over the longer run of the international negotiations, specialists believe that divisions on such topics between the industrialised nations could have a more profound effect than the procedural problems that have characterised relations between the developed and developing countries. trade.

The four power meeting takes place 10 days before the pre-paratory committee at the Gatt starts formal work on setting out the ground for the inter-national trade liberalisation

ALLEGATIONS and counterclaims are flying across the
Atlantic with increasing vehenence and regularity as the competive struggle for jet airliner
Selac between Regime

The letter, sent to Mr Clayton

The letter, sent to Mr Clayton the past — usch as 707s in the form of KC-135 tanker-transporters, or more limited purchases of 747s for airborne command post and other duties — the US Government has got

As for the lack of tax payments since 1980. Boeing says this is the result of tax credits allowed on its heavy capital investment and research and development expenditure since

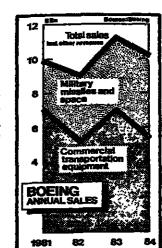
These policies have helped Boeing to take on an extra 20,000 employees over the last two years — "and each of them

Boeing has computed figures which Airbus say are much exaggerated — claiming that total government support for Airbus, including the launch of the A-320, is likely to total at least \$12bn by 1995, or \$18bn if intersect is included. if interest is included. Airbus dismisses the figures

as "propaganda." It contends that funds advanced by governments over its 16-year history are not give-away grants but are being slowly repaid out of

But the group invites suspicion over its financial arrangements by regularly ducking questions matter.

Ironically Boeing's onslaught on Airbus' financial backing pean group to intensity its series appeared on January 3 commercial attack. Airbus sees and 10.



Boeing's continuing dominance — the US company's order intake last year was \$15bn against \$4.5bn for Airbus — as providing further justification for its bid to enlarge its own

airliner range. An Airbus board meeting at Toulouse on January 27 will be discussing the prospect of deve-loping the TA-9 jet to challenge Boeing's dominance with its 767 of the medium range sector, as well as the four engine long range TA-11 which could con-front part of the 747 market. Mr Pierson argues that building airliners has always been a long term business confronting investors with a long wait before returns. In the face of Boeing's broadside over financ-

necessary patience. may only encourage the Euro- The previous articles in this

ing. Airbus can only hope that

consortium continue to show the

VOGELSTRUISBULT METAL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa) A MEMBER OF THE GOLD FIELDS GROUP

(Registration No. 05/04346/06)

PRELIMINARY ANNOUNCEMENT OF RESULTS

CONSOLIDATED INCOME	Year ended 31 December 1985	Year ended 31 December 1984
Revenue Income from investments Dump crushing and treatment Interest and sundry revenue	t 1 357	R000 4 219 609 429
Expenditure and write off	9 983 213	5 267 5 401
Administration Written off	313	25 5 14
Profit/(loss) before tax ,	9 670	(134
Prefit/(loss) after tax	t	(201
Transfer from general reserve	9 717	(134 3 150
Less	9 717 9 518	3 016 2 943
Dividends declared	1 839	2 945 92
Final 20.0c (11.0c) Transfer to general reserve		2 02
Unappropriated profit, carried forward		73
	Year ended 31 December	Year ended

Earnings per share—cents Dividends per share cents -times covered .. Net assets (as valued) per share * Earnings per share before write off

ANNUAL REPORT These results are published in advance of the annual report which will be posted to members in March 1986.

DECLARATION OF FINAL DIVIDEND

Dividend No. 78 of 20 cents per share in respect of the year ended 31 December 1985 has today been declared in South African currency, payable to members registered at the close of business on 31 January 1986. Warrants will be posted on or about 4 March 1986

Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London

Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 31 January 1986 in accordance with the abovementioned conditions. The register of members will be closed from 1 to 7 February 1986, inclusive.

By Order of the Board per pro Consolidated Gold Fields PLC London Secretaries Mrs. G. M. A. Gledhill, Secretary

London Office: 31 Charles II Street, St. James's Square, London, SWIY 4AG. 15 January 1966

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Can Europe catch up?

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and Ital

A over

"Water stra

BY JAMES BUXTON IN ROME AND BERNARD SIMON IN TORONTO

Prime Minister, has protested strongly about Italy's exclusion from the Group of Five industrial countries which take key decisions

on currency issues. The Group of Five (G5) – whose from the deliberations of G5.

members are the US, West Germany, Japan, Britain and France - from G5 created unnecessary politi-

review the currency situation. The last time they met was on September 22 in New York, when they agreed to concerted action to drive down the value of the US

Italy was offended not to have been included in that meeting, particularly because the Bank of Italy subsequently incurred a big decline in its foreign-exchange reserves through the need to act with the G5 central banks and sell the US to the attack," he said.

Out G5.

Yesterday, a spokesman for Mr Craxi said that Italy was not prepared to let the matter rest, because the G5 countries had evidently not decided to invite Italy to the London meeting. We shall be returning to the attack," he said. currency.

Italy and Canada, both members of the Group of Seven industrial countries best known for their spectacular economic summits, made clear their concern at their exclu-

sion from the G5 meeting. The currencies of all the G5 countries are included in the basket on which the value of the Special Drawing Right (SDR) is based. Neither the Italian lira nor the Ca-

nadian dollar is part of this basket. At the end of December, Mr Craxi wrote to the heads of state of the US and France and the heads of government of West Germany, Jaan and Britain protesting because Italy had not been asked to the London meeting of G5 this weekend. He pointed out that it was difficult for Italy to fulfil its function as balue of the Canadian dollar.

MR BETTINO CRAXI, the Italian a member of the Group of Seven if it was left out of the deliberations of the Group of Five. Italy, he added, was a leading member of the Euro-pean Monetary System and as such as to share the sacrifices resulting

He said that the exclusion of Italy cal difficulties among countries which were allies.

Italy wants G5 to be enlarged to include itself and possibly Canada. It is not suggesting that the Group of Seven should take on functions

Canada has voiced its concern

that the Group of Five will become "overly institutionalised" and detract from the work of other international economic groups

A Canadian Finance Ministry official said yesterday that Ottawa had not applied to join G5. How-ever, Mr Michael Wilson, Finance Minister, has emphasised to Mr Howard Baker, US Treasury Secretary and other G5 participants that meetings of G5 members without prior notice or consultations, with other major trading nations, were

York, which took decisions affect-

"extremely unhelpful." Opposition groups were dismayed at Canada's non-participation in last autumn's G5 meeting in New

Reagan seeks to ease anti-trust laws

BY NANCY DUNNE IN WASHINGTON

has decided to seek changes in the US anti-trust laws which would allow American com- laws.

posal to exempt those com-panies hurt by imports from various anti-trust restrictions on mergers. The President would also propose limiting damage

Another proposal would give awards for violations of anti-

US. The current anti-trust laws, including the Clayton and

Sherman Acts, are "from another era," he said.
"In the long run we think it will allow American corporations to better serve consumers and it won't offer competition in law enforcement.
the local market," he said. Rodino, chairman o

A reform of anti-trust laws has been under discussion within the Administration for some time. Mr Malcolm Bal-

THE REAGAN Administration, drige, the Commerce Secretary,

would allow American companies to compete more effectively in the international market place, the White House said yesterday.

Mr Larry Speakes, White House spokesman, said the Administration would ask Congress to pass a legislative that limit corporate directors Administration would ask Congress to pass a legislative package which includes a proposal to exempt those companies burt by imports from serving companies; restrict the ability of US companies to sue foreign companies for

Another proposal would give Mr Speakes said that only five of the world's 15 largest corporations are located in the is already under consideration

in Congress The legislative package is likely to be extremely controversial in Congress, where critics have already complained about the Administration's weak Rodino, chairman of the key House judiciary committee, has said he does not believe any far-reaching changes will be approved.

Report calls for strategy to eliminate racketeering

mission on organised crime has recommended the development of a national strategy to bankrupt racketeering which it says has now become firmly entrenched in the US market-

In a report released this week, the first comprehensive survey on organised crime in nearly three decades, the prestigious, bipartisan commission criticised both the "fragmented," uncoordinated efforts of government agencies which "count badies" as a measure of sucbodies" as a measure of success as well as Reagan Administration "contacts" with suspected mobsters.

"Certain political alliances and well-timed political contributions can create an appear ance of impropriety." it said, mentioning Mr Jackie Presser.

President of the International

The national strategy urged Brotherhood of Teamsters, who has on occasion met with the President and President Bush. He said "The impact of such He said "The impact of such mental agencies working on contacts can lead to an erosion industry by industry task forces.

PRESIDENT REAGAN'S com- of public confidence and damper the desire to end racketeering." Often the key to marketplace corruption by organised crime is the control and exploitation of labour unions. The report cites four key unions with histories of cantrol or influence by carrylised crime; the lateral by organised crime: the Inter-national Longshoremen's Asso-ciation, the Hotel Employees and Restaurant Employees In-ternational Union, the International Brotherhood of Teamsters and the Laborers International Union of North Brotherhood America.

Only a small fraction of labour organisations are dominated by crime figures, but key branches in large cities repre-senting thousands of members have allowed mobsters to gain

by the commission would com-bine the efforts of private industry and various govern-

Washington extends warm welcome to Ecuador leader

American leaders, because of his outspoken anti-Communism and free-market economic policy, has been given a warm welcome by President Ronald Reagan in Washington at the start of a six-day visit, AP reports from Washington.

Much to the delight of the Reagan Administration and international bankers, Mr Mr Febres has acted decisively to Ecuadorean economy and also marked for this fiscal year is has promoted increased foreign £15m (£10.4m).

ECUADOR'S President Leon investment. Since he took office Febres Cordero, one of the US 17 months ago. Ecuador's Administration's favourite Latin inflation rate has dropped from 60 per cent to 20 per cent. During his visit, Mr Febre is expected to sign financial assistance agreements with the World Bank and the US Agency Ecuador is the only South

for International Development American country that receives economic support so-called funds, a special category of assistance reserved exclusively for countries of special security rebres has acted decisively to and political importance to cut the State role in the Washington. The amount ear-

Shultz says sanctions would hurt

By Fiona Thompson MR George Shultz, US Secretary of State, said yesterday that if Libya's major European trading partners were to apply economic sanctions similar to those imposed by the Americans it would have a considerable impact and cause Libya great difficulties.

Mr Shultz was speaking to Buropean journalists on a satellite link up on the eve of his deputy Mr John White-head's arrival in London to-day. Mr Whitehead will tour several European contrals to several European capitals to discuss efforts to combat international terrorism.

Asked if he was disappointed with the West German Government's reaction to the Government's reaction to the sanctions announced by President Ronald Reagan on January 7, Mr Schultz said: "of course we would like to see positive reaction, we would wish their attitudes were different." He stressed, however, that Mr Witchend would not be trying to "wish would not be trying to "twist

arms."
Libya and Col Muammer Gadaffi, the Libyan leader, had been financing terrorists since 1980,

"I have no doubt, and my friends in Europe have no doubt, that Gadaffi is in bed with the terrorists." Mr Shultz said it was necessary to isolate them, cut off their safe havens and connections.

Robert Graham on the impact a new civilian president may have in Central America

Guatemala looks beyond its borders

Cerezo, on Tuesday.

Even before taking office, Mr insurgency. idea of a regional parliament as military rulers because of their a forum to diminish tension appalling human rights record, and revive the moribund especially regarding the Central American common Indians,

Guatemala is the most populous Central American nation with a population of export base.

since 1979 that marked the onset of the civil war in El
Salvador and the overthrow of
the Somoza dictatorship in
Nicaragua has been Guatemala's
marginal position.
Guatemala's military rulers
have refused to take sides
openly on regional conflict, even
though they have been inspired
by fierce anti-Communist
ideologies and have been waging
a tough campaign against a a tough campaign against a leftist inspired guerrilla insur-

gency in the countryside.

GUATEMALA is expected to in part this reflected play a more active role in domestic preoccupations. The Central America following the military was concerned with inauguration of the country's disputing the spoils of power civilian president, Mr Vinicio and were clearly committed to crushing

Cerezo made a point of calling But this independence has on the leaders of neighbouring also been a consequence of the countries and promoted the isolation imposed on the

Since the days of the Carter Administration, the US Govern-ment has provided only minimal nation with a population of financial and military assisment as population of financial and military assistance. The Guatemalan military diversified with the widest export base. regarded US pressure as Guatemala and the Mexicans to to to the Reagan Administration's line in Central America.

Guatemala and the Mexicans face of opposition from the powerful business community.

The kind of austerity package under consideration should attract support from the Inter-

Furthermore, given its strategic position as the buffer between Central America and Mexico, a more outward going role by Guatemala is bound to have significant repercussions within the region.

The most curious aspect of the tensions in Central America since 1979 that marked the onset of the civil war in El Salvador and the overthrow of the Somoza dictatorship in Niceracus has been Guatemala's



Cerezo: promising austerity

The existence of a civilian president in Guatemala, the first in 16 years, opens up the prospect of large scale resumption of US economic, financial and military aid. The Reagan Administration has already stated its willingness to step in with such assistance. This is almost certainly the only way to neil Guatemala out of way to pull Guatemala out of recession and help it overcome the burden of servicing its \$2.4bn (£1.7bn) foreign debt, equivalent to almost 60 per cent of export earnings.



under consideration should attract support from the Inter-national Monetary Fund and The existence of a civilian make it easier for resumed US

> Just as in El Salvador, the Guatemalan military and the business community realise that a civilian government is the best guarantor of a continued flow of US aid — and this is probably Mr Cerezo's best card in dealing with the two groups. However, the record of the Reagan Administration in Central America has been to link assistance to political support for its regional policy.

the Nicaraguan Government's international position will be weakened even further. Yet if Mr Cerezo resists, which he may well, it could provide a shot in the arm to peace efforts in the region — in particular the Contadora Group's initiative.

Contadora Group-Colombia, Mexico, Panama and Venezuela—discussed the peace plan in Guatemala City on Tuesday after Mr Cerezo's in-auguration, resulting in a renewed pledge to make the initiative work.

Developments are also expected in Guatemala's long running claim to Belize. In private Mr Cerezo has indicated to the Belize Government that he would like to see a settle-ment that would lead to recognition of the former British colony.

Britain still retains up to 1,600 troops and military per-sonnel in Belize, at an annual cost of £30m, to protect it against Guatemala,

Any move to settle the dispute would have a direct impact on Britains military presence in a Central American country. The US Government has no desire to see the British go, and until now the Guatemalan military has also refused to criticise Nicaragua.

In domestic terms this policy
has paid off. Nicaragua has introduce austerity measures studiously avoided supporting which the outgoing military Mr Cerezo to join the antitry as a safe haven or as a the guerrilla movement in government failed to do in the Sandinista line up. If he does, conduit for Cuban weapons.

IT'S N()I JUST GENIL TKEEPSI

"I am delighted, for the eighth successive time, to be able to announce a significantly improved performance for Guinness PLC.

Profits for the year ended 30th September 1985 are a record £86.1m: an increase of 22% over the previous year.

We've achieved this partly thanks to even greater popularity of our most famous brand. The most distinctive beer there is.

In the UK alone, sales of draught Guinness (supported by the Genius advertising campaign) increased at twice the rate of lager.

But our growth has not just been achieved by 'staying in the black'

We've also applied our management skills to growing the company in four areas: International Beverages, Convenience Retailing, Health Care, and Publishing.

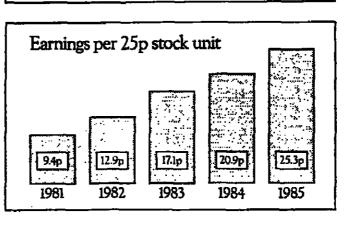
And we've acquired several more famous brands, each having great potential.

Such as Bell's, Cranks, Gleneagles and Champneys.

BUILDING MOMENTUM FOR GROWTH

Bell's, with only a 5 weeks showing in the past year, contributed £1.9m profit. In Retailing, where we now have

£86·1m £70.4m Pre-tax profit 1984 Pre-tax profit 1985



over 1100 stores, we've increased profits from £5.5m to a very significant £13.8m.

GOOD FOR SHAREHOLDERS

Our twin strategy of good management for financial performance today and rapid exploitation of growth opportunities for significant business tomorrow is good for shareholders. Earnings per stock unit have increased 21%, and the proposed net dividend is increased by 12% to a record 7.2p.

Since September 1981, the company's shareprice has increased sixfold, and its market capitalisation tenfold.

In short, Guinness PLC is a dynamic consumer products and services company, set for exciting future growth.

I look forward to being able to report next year with even better figures."

ERNEST W. SALINDERS Chief Exe

GUINNESS, HARP, KALIBER, BELUS; MARTIN'S, RS McCOLL, RG DRUMMOND, 7-ELEVEN, HEDIARD; CHAMPNEYS, GLENEAGLES, CRANKS, NATURE'S BEST.

Guinness is good for shareholders

n 1982, a Midands bakeryfound that 40% of the renerg COSIS WEFE blown awa

YOUR AS [A] saste ho Them appake. still heat. 23 V. 17 LH goution 5 fresha egs are ar inother ers, it cou

E

demonstr

coup.

You need a lot of heat to bake bread. And heat rises At Fresha Bakeries Ltd. in Leicester most of the heat rising through the chimney and wafting down the street. Tak in 8 £128,000 with it every year ·

As part of a joint demonstration project with $the^{E ne^{rg}}$ ancy Office, the management Efficiency Office, the management devised a scheme to the waste heat and $\frac{1}{2}$ the waste heat and recycle it throughout the bakery.

The system was so successful that there was enough heat no to bake the bread but also only to bake the bread but also to heat the bakery And the was still heating left over to warm the van yard in winter, which naturally, made for happier drivers as well as fresher bread.

At the same time, they replaced their centralized boiler and switched to cold. distribution system and switched to cold water for washing delivery trays

Fresha Bakeries is not a huge company. But still their ene, gy savings are around £40,000 a year on an initial outlay of £92,000

In other words, the scheme not only paid for itself in little over 2 years, it could save the bakery at least £40,000 every year from no

Of course, not all of us are in the business of making bread rise But stopping energy costs rising is everyone's business, and Your company is probably losing money even as youre ad this '

and you can put a stop to Eastell restrictions of the Energy of the En

We cantell you about ways to save money, and how to get is s.

monstration project like the constrainty. for a demonstration project like the one we gave to Fresha Baker

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The Channel Expressway sci

headed by Sea Containers offers both rail and road links. But, Sir Ni-

gel claimed, "it's anathema to the

French." Mr James Sherwood, pres-

ident of Sea Containers, was in

France yesterday to try to arrange

Channel Expressway was a non-

runner because of doubts over its fi-

nances and technical feasibility.

Last night, Channel Expressway

The French officials said the sup-

EuroRoute and £2.6bn for CGT, was

haulage group yesterday came out in favour of EuroRoute Mr Guy

CGT has already said finance for

to any other project but it would

consider adding a road link later if traffic justified this. Sir Nicholas

The UK cabinet is due to discuss

was heavily preoccupied with the Westland affair. It could be settled

The leading French private road

mysterious and irrational."

tion system in its road tunnel.

French Government officials said

more French partners.

BY ANDREW FISHER, DAVID MARSH AND DAVID THOMAS

THE EUROROUTE consortium, a said Sir Nigel of his proposal, outcontender to build a fixed link lined after yesterday's annual meet-across the English Channel, has ing of Trafalgar House. proposed a compromise tie-up with the rival Channel Tunnel Group (CTG) in an attempt to clear the way to a final Anglo-French deci-

Sir Nigel Broackes, chairman of EuroRoute, said yesterday he had suggested the compromise to Mr Nicholas Ridley, UK Transport Secretary, but had so far received no reply. CTG said it was firmly against any such compromise.
With little time left before Mrs

Margaret Thatcher, the Prime Min-said it was still confident it would ister, meets President François Mit-win, despite criticism of the ventilaterrand in Lille, France, on Monday, rival groups nave more succepted for the UK and French nel Expressway, which prices its scheme at £2.55bn against £5bn for CGT, was day, rival groups have made strong ingly as if they will have no final ision to announce.

Under the compromise suggested by Sir Nigel, EuroRoute would build the bridge and tunnel motorway link envisaged in its original Crescent, chairman of Calberson proposal but drop its rail link in fa- said France's lorry drivers would your of one built by CTG.

our of one built by CTG. boycott any crossing that did not in-This could save money, as CTG's clude a road link. tunnel could be narrower, so as to take rail carriages only and not its scheme could not be transferred wide vehicle shuttles. Tunnelling would be faster, as CTG's link could be started from both ends and on the seabed near the concrete is- Henderson, CIG's chairman, was lands connecting EuroRoute's road due to see Mr Ridley last night.

The compromise suggested by Sir the fixed link today, although Sir Nigel, also chairman of Trafalgar Nigel noted that the Government House, a EuroRoute shareholder, is the UK to its cost, appearance and possible susceptibility to terrorist attack.

Mrs Thatcher has said any governments, or the successful conscheme must include a road link. "If sortium, should compensate those Britain wants a road link, this is the only way they are going to get it." affected by disruption if a scheme went ahead.

Union agrees Murdoch

TRANSPORT UNION officials have Christmas over Mr Murdoch's de-

made a provisional agreement with mand for a legally-binding no-strike

national newspapers printed at its new printing plant at Wapping, in east London.

Print unions from that the altern Wapping willis, the Trades Union

five print unions broke down at distribution system.

distribution deal

BY HELEN HAGUE, LABOUR STAFF

TNT, the transport group, for na-deal, tionwide distribution of News Inter-

national newspapers printed at its

Print unions fear that the alter-native distribution system could lead to disruption at Wapping and

want the transport union to re-ex-

work reaches

see even more jobs created.

Of the total of 709,000 new jobs 443,000 were self-employed and a further 491,000 were women working part-time. Only 20,000 full-time s were created for women, while the number of men in work fell by

212,000 new jobs in the year to Sep-tember, while the number of jobs in fell by 115,000.

hotels and catering, where the workforce increased by 4.2 per cent, banking - up 3.5 per cent - and re-tail distribution, where the work-force gained 2.7 per cent.

In the manufacturing sector only the paper and printing industry and mechanical engineering have in-creased their employed workforce in the last year. Job losses occurred in the motor vehicles, construction and coal industries.

ly earnings in the year to November, published yesterday, showed a

ter General, said: "We ought to be doing better than this if we are to

ters continue to stress the need for sensible pay settlements," he said. Earnings are rising well ahead of

output rose at a rate of 6.4 per cent a year in the third quarter of 1984, Department of Employment figures showed. For manufacturing industry, the rate of increase was 7.1 per tional through shared ownership of cent, compared with increases of 1 The disclosure comes as print Australian Ansett Transport, and unions are preparing for a conflict was commissioned by News Inter-with News International over recog-national in the summer to under-

nition rights at the plant. Talks be-tween the company and four of the lishing an alternative newspaper cent. That figure was affected by

MORE THAN 31,000 jobs were created in the third quarter of 1965, boosting the number of people in work in the UK to the highest level since June 1981. But the Government said that pay was still rising too fast and that a general slowing down in the rise in earnings would

been created since March

nanufacturing and other industries The greatest gains were made in

The underlying increase in week-

7.5 per cent rise - the same level of increase as for the last 18 months In manufacturing industry the underlying rate of increase was 8.75 per cent, more than twice the rate of Japan or the US. Mr Kenneth Clarke, the Paymas-

improve our competitive position and increase the flow of new jobs." He said more constraint was needed in future pay settlements if the UK was to be able to compete That is why I and other minis-

inflation, so people in work contin-ue to be better off." Wages and salaries per unit of

per cent in France and the US and a fall of 1 per cent in Japan.

MPs call for radical changes in administration of tourism

The electricians union has

Congress general secretary, to

TNT is linked with News Interna-

press for a joint approach.

House of Commons select commit-board. tee on trade and industry.

Members of the committee conchide unanimously that a single committee was restrictions on pubBritish tourist board should be set lic house licensing hours. The reun to replace the existing English, port calls for early government acun to replace the existing English, port calls for early government achandside in a handszard application of funds. the British Tourist Authority pubs on similar lines to the system should be abolished. A single minisnow operating in Scotland. ter for tourism is also urged.

hit-and-miss and tending to favour

Scotland, Wales and Northern chairman, said that there was a real ven times as much." Treland over the English regions.

Other recommendations of the committee include the state-funded extension of resort seasons, im
Charman, san that there was a real ven umes as much.

Overall, the report endorses higher than the proposal, if implemented, would extension of resort seasons, im-

A RADICAL restructuring of the proved hotel classification and the be "a major contribution to the administration and public financing establishment of regional tourist growth of tourism in this country." of tourism in the UK is proposed in boards for internal promotion, op-a report published yesterday by the erating under the proposed UK Administrative and financial res-tructuring was, however, seen as board. the central recommendation. Committee members felt that the present arrangement, involving a weak British Tourist Authority and four

The report criticises as "capricious" the fact that "more than five This could mean opening hours times as much is disbursed in Scot-Present-day funding of tourism is from 11am to 11pm, except on land for every £1 of tourist expendicriticised as "wholly unacceptable," Sundays. ture than is the case with England Mr Kenneth Warren, committee and, in the case of Wales, nearly se-

SMALL-BUSINESS LOBBY GROUP SEEKS LESS BUREAUCRACY

be created if the Government cut cial administrative tasks that beset small businesses, according to re-

group in the small business sector, presented simple new "official" forms it has designed in joint dis-cussions with several government

It also disclosed a simplified system by which small businesses could fulfil statutory obligations on health and safety, statutory sick pay, fire precautions, insurance,

and employment protection.

Most new jobs would come businesses to take people on and administer their employment, said Mr Stan Mendham, the forum's

1.5m small businesses.

black economy at 10 per cent of the legitimate small-business sector, or 150,000 jobs, mainly involving peo-Surveys by the forum had shown that small businesses would employ an average of 1.8 more people each

That would free the more exception.

um's figures checked by Graham Bannock and Partners, a firm of consultants that 14 months ago pro-duced one of the most definitive surveys of small business in Brit-ain. It showed the administration of VAT as the biggest problem
Mr Mendham's independently

produced figure of more than Imnew jobs compares closely with calculations made from government surveys carried out for last year. small businesses to pay over em-ployees' income tax quarterly in-stead of monthly.

Lionel Barber examines the hectic City trading over the helicopter group Battle rages for Westland shares keeps up

maker for which there are two rival rescue plans, has opened a new front in the political battle over the

that in the pointest battle over the future of the company.

This week, brokers acting on behalf of buyers sympathetic to the Sikorsky/Flat rescue or the rival European aerospace consortium offer have been trying to garner enough shares to block or push through the US/Italian plan. That is due to be voted on at tomorrow's ex-traordinary general meeting (EGM) of shareholders at the Albert Hall in London,

Statistics published yesterday by the Department of Employment show that more than 709,000 jobs cent of votes at the EGM to block the Sikorsky/Fiat deal - has creat-1983, when employment reached its ed what amounts to a "false marlowest level. By the end of Septem ket in Westland, bearing little relation to the company's parlors finanemployed UK labour force stood at | cisl state or its prospects. At times, offers to buy shares have been made at least 40 per cent above the prevailing market price.

The battle has been further complicated by the emergence of an unnamed buyer, friendly to the Sikorsky/Fiat cause. The buyer has amassed nearly a 15 per cent stake this week; giving him an influential role in the vote tomorrow.

Mr Roy Hattersley, deputy leader of the Labour Party, called on Tuesday for the Government to intervene with the London Stock Exchange to halt the trading at inflated prices. Last month, Westland shares were suspended at 60p while talks with Sikorsky/Fiat went ahead on a plan for the US and Italian companies to take a minority stake in the company.

the head of the US Strategic De- of technology.

ists on the classified aspects of Star panies already working on the pro-

ment by British companies in the cluding Star Wars research agree-

Group of the Conservative Party, on have held a series of meetings to

Despite the signing last month of which the UK could contribute

fence Initiative Organisation, is due

next month to brief UK industrial-

Wars technology. The event may

signal the start of formal involve-

Horse racing

industry seeks

BRITAIN's horse racing industry is planning its own live daily satellite television coverage of racing for bookmakers' shops all over the UK.

Preliminary agreement has been reached, it is believed, be-

tween British Telecom (BT) and

Satellite Racing Development (SRD), a consortium of the four

big bookmakers - William Hill, Mecca, Ladbroke and Coral - to

Talks are under way between

the consortium and the Race-course Association, which repre-

sents owners of 60 race courses, for what will be a multi-million

pound franchise.

Mr Christopher Sporborg, deputy chairman of Hambros, the merchant bank, who has been representing the Racecourse Association said yesterday: "I would be amazed if a satellite telepition continue did not been

television service did not begin before the end of the current

Mr Sporborg, a member of the Jockey Club, said the aim was to provide live coverage of about 12

horse and six dog races a day

using the video systems already installed in racecourses for

stewards' inquiries.

The association wanted a significant sum for the franchise, Mr Sporborg said. Attendances could be hit and the franchise will include the right to market

Bids are expected from Extel,

which already provides a sound and data service for bookmakers, as well as SRD.

The pictures would be beamed up to the Intelsat 5 satellite above the equator and down to receiving dishes on the roofs of individual betting shops. The signal will be scrambled for security

and BT has already been in touch with US satellite special-ists Scientific Atlanta to buy

The service is only possible be-

ting and Gaming Act, due to

come into effect on March 10, which legalises live television in

SRD, which plans to broaden its share ownership if it wins the franchise has the support of the trade organisations, the Betting

Office Licensees Association and the National Sporting League.

scrambling equipment.

the service internationally.

provide such a service.

satellite deal

By Raymond Snoddy

\$26bn programme.

February 17.

ers are disturbed about the events this week in the stock market, which they believe are likely to hard-pressed to turn down because of our obligations to our own sharestrengthen the case for a tighter holders." For the City of London's instituregulatory system for the City of tional investors, who traditionally shun publicity, the Westland affair

bid by Mr Bristow, which he later

abruptly dropped; and second, by encouraging the Bank of England

to appoint Sir John Cuckney as

Equally embarrassing for those involved is the fact that a carefully

constructed rescue plan agreed

tecture" or basic framework of an

operational Star Wars system,

whose goal would be to defend the

West from nuclear bombardment

Other key areas in which the UK

has expertise include space-based

groups of British companies may be

gramme, on which some \$2bn has by shooting down Soviet missiles in

Morgan Grenfell leads

most active merchant bank in take- another recent survey as the mer-

overs of UK public companies dur- chant bank with the largest list of

in takeover activity

chairman and company doctor.

"The trading in Westland shares has resembled a takeover battle," said one senior fund manager who has so far resisted pressure to sell. but we should not forget that this is a capital reconstruction plan for a technically insolvent company.

Fund managers complain that

the high prices offered by Rowe & Pitman, Westland's broker, which is also acting on behalf of the unidentified buyer, and Hoare Govett, acting on behalf of Mr Alan Bristow, the helicopter millionaire who now holds a 14 per cent stake in Westland, have put them in an impossi-As one fund manager said: "We

are trying to help the board in its reconstruction plan but we are be-

signal involvement by industry

LT GENERAL James Abrahamson, with UK concerns on specific areas discussed areas such as the "archi-

Further, the Pentagon has not so

far lifted its prohibition on US com-

been already committed, from con-

ments with British organisations.

The general is expected to hold Since the signing of the US-UK sensors, computer software and the meeting about the time he visits concord, US and British defence of weapons called rail guns that would

London for a special conference on ficials, together with representadestroy missiles by firing small pel-Star Wars, hosted by the Bow tives of the UK defence industry, lets accelerated by electromagnetic

thrash out the specific ways in

a memorandum of understanding These meetings, held in London awarded from around the end of between the US and Britain on and at Defence Ministry research February. According to industry ob-

joint work on Star Wars, the Decentres such as the Royal Signals servers, the total value of contracts

fence Department in Washington and Radar Establishment at Mal- in the first year is likely to be no

has yet to award research contracts vern, in the West Midlands, have more than \$3m to \$5m.

with Westland's benkers, National Westminster and Barclays, appears to be threatened if the Westland board fails to secure the necessary 75 per cent majority. There are conflicting views on

whether that agreement with the banks would have to be renegotiat ed. It is also unclear whether the banks would then press for better terms for converting the £23m of debt owed by Westland into preference capital.

Those who have watched the battle over Westland unfold in Westminster and the City of London over the past four weeks say that the difficulties are largely because neither the Europeans nor the Si-korsky/Fiat camp appears able to command the necessary 75 per cent majority among shareholders for the straightforward task of injecting new capital into the company, return for a minority shareholding.

Sir John Cuckney, Westland's chairman, has said the board has "a has pushed them unwillingly to cen-tre stage. Even if an institution number of contingency plans" designed to break the deadlock. He holds a mere i per cent stake in has, however, so far insisted that Westland, it knows that it might be the only plan the shareholders can vote on is the Sikorsky/Fiat offer, . enough to swing the vote either way The battle has an added poignanwhich suggests that he intends to put the same offer, possibly slightly revised, to shareholders in the form cy because last summer institutional investors were instrumental in of resolutions that require a 50 per trying to rescue Westland, first by cent majority only. inspiring the £89m City consortium

That escape route does not take

account of what is likely to be beavy pressure tomorrow from Mr Bristow and United Scientific Hold-ings, the UK defence contractor holding nearly 5 per cent of Westland, to put the European offer to

Teachers' Visit by Star Wars chief could union quits pay talks

By David Brindle

NATIONAL Union of Teachers (NUT) leaders last night pulled out of talks at Acas, the Government backed conciliation service, aimed at settling the 11-month-old pay dispute in England and Wales. Although Acas had adjourned the talks earlier in the day on an opti-mistic note saying that it had put forward some "thought starters" on

a possible settlement, NUT leaders said they could not proceed. Acas proposals would lead to a worsening of conditions of service in return for an increase in the

present 6.0 per cent pay offer, they Meanwhile, the union repre-senting head teachers threatened action on a second front when it began preparations for a ballot on its first industrial action in schools. It results from the refusal of local authorities to negotiate a national

pupils at midday.

Secretaries of the 104 branches of MORGAN GRENFELL was the Morgan Grenfell was named in

Details of the Acas initiative were overs of the public companies the corporate clients.

published yesterday by Acquisitions Monthly, an independent magazine. The bank was closely folfew weeks when it has been on the to be based on acceptance by the nese yen. 1985 claim in return for the introduction of an independent element possibly an inquiry or arbitration in the 1986 pay round.

The ideas had been accepted by

lowed by S. G. Warburg.

Morgan Grenfell acted as a financial adviser in 32 takeovers with an aggregate value of £3.143hm. S. G.

Warburg advised in 29 bids, with a value of £3.129hn. Kleinwort Benvalue of £3.129bn. Kleinwort Benson was ranked third, advising in 25
since it did not include deals involvteaching unions as the basis for further talks next Tuesday. Mr Fred Smithies, joint leader of the union side said: "We see in the Acas ideas own use in supplying banking ser-

export momentum

Jaguar

JAGUAR MAINTAINED its position as one of the UK's leading exporters last year by shipping out to overseus markets a record 29,675 luxury cars worth more than £600m, Kenneth Gooding writes.

With UK registrations reaching 8,049, the highest level since 1978, Jaguar's worldwide car sales to-talled 37,724, about 13 per cent more than 1984, the previous record year. Last year's sales were below the 38,500 cars produced, but Jaguar insisted yesterday that that was normal and said no car was built unless it had been ordered by a

Sales in Jaguar's leading market, the US, rose by 14 per cent from the 1984 level to a record 20,528, while in Canada the increase was 31 per cent to 1,315.

Jaguar continued to make ground in West Germany, home of its main rivals, BMW and Daimler-Benz, the Mercedes group. Sales there rose by 21 per cent to 2,343. That performance helped to raise Jaguar's continental European sales by 21 per cent to 4,826 - another record. Another UK luxury car producer,

Rolls-Royce Motors, now part of the Vickers engineering group, said that its recovery in worldwide markets had continued.

The company sold nearly 8 per cent more cars than in 1984 and sales rose from 2,203 to 2,377. The US took 1,110 during 1985 (1,083 in 1984), the UK 710 (630) and the rest of the world 557 (490).

Rolls-Royce still has some way to go to return to the worldwide record of 3,429 achieved in 1976, but a spokesman said that the company hoped the steady growth would continue this year.

□ IG INDEX, the financial book-

making specialist, has launched a new service which allows individuals to bet on movements of certain currencies against sterling. At present there is no such con-

tract in the futures market. Anyone wanting to speculate in or bedge against movements in currencies against sterling has to do so in two transactions through the dollar exchange rate. The advantage of betting on cur-

rency movements rather than taking a position in the foreign exchange or futures markets is that any gains are free of tax. IG Index also claims that its service will be both simpler and cheaper than the conventional system of using two transactions. This involves two sets of expenses while the amounts of the two currency contracts cannot be exactly matched.

The cost to the customer of a bet through 1G Index comes in the spread between its "buying" and "selling" rates. This is fixed at anything between 0.4 per cent and 0.7 per cent of the value of the currency on which bets are being made. It is the interbank currency markets.

Secretaries of the 104 branches of the National Association of Head Teachers voted overwhelmingly in favour of a ballot.

Minimum bet which can be placed is between £900 and £1,100, depending on the currency. Bets can be made on the movement of three currencies against sterling not disclosed, but they are believed | the D-Mark, Swiss franc and Japa-

tail banking subsidiary of the New York bank, is to use special banking software developed by Western Trust and Savings, the small Ply-The ideas had been accepted by month-based deposit-taker. Citi-the employers and the smaller bank is understood to be paying

own use in supplying banking serwith 22 bids worth £1.482bn.

If these were included, its tally the possibility of something that wices both through its own branches would move the dispute forward in a belpful way, but it is no more than the co-operation of the banks.

If these were included, its tally the possibility of something that would move the dispute forward in a belpful way, but it is no more than the co-operation of the banks.

State steel trims around the core

WHEN THE Thatcher Government

tious privatisation plans would also include the beleaguered steel indus-try, most people laughed.

Who, they asked, would be inter-ested in getting into steel or ex-panding their interests in that sector at a time when steelworks were closing at a rapid pace, and compe-tition from abroad was looking in-

reasingly intimidating. But the sceptics were wrong. Up to this week, British Steel Corporation (BSC) had succeeded in selling off no fewer than 52 businesses, 11 of them into joint ventures with private companies. Assets worth

(GKN) and BSC to combine their engineering steels and GKN's forging businesses in a joint venture, United Engineering Steels, will remove another huge chunk on the taste steel converge's hooks worth move another huge chunk on the state steel concern's books, worth headway in privatising a few impor-

- to be fairly successful.

Most of them, however, have been on the periphery of the steel industry, where there were private private companies in the industry and a companies in the industry are companies.

The Government yesterday rejected the recommendation of the Scottish Affairs Select Committee that the Gartcosh steel mill in Scotland remain open for three years. Mr Peter Morrison, junior Industry Minister said the Government did not consider that the arguments in the report and evidence justified intervention in the decision by BSC to close the mill with a loss of 700 jobs.

with its own Cleveland Bridge operation. Font a Mousson, the French iron pipes group, bought 75 per cent to carry out the restructuring of BSCs Stanton and Staveley pipes division last year for £19m.

Victaulic, a maker of plastic rise. Victaulic, a maker of plastic pipe, pipe couplings and fittings for pipe-lines, was sold to its managers in 1982 for just over £14m. Many of the other businesses

£350m, about 17 per cent of its total assets, have been involved.

The agreement this week between Guest Keen and Nettlefolds annual turnover of only £600,000

Many of the divestments and mainly by promoting and generous however, because of claims by some joint ventures have proved - so far ly endowing joint ventures with private sector companies.

industry, where there were private private companies in the industry mere on the verge of collapse and in the buying out BSCs interests, and little logic in BSC hanging on to them.

Trafalgar House, for example, private companies in the industry mere on the verge of collapse and in the industry them.

Trafalgar House, for example, picked up Redpath Dorman Long, the structural fabricating group, in April 1962 for £10m and combined it agreed to neap norm joint ventures, expected because or its success in cutting costs and improving BSC still has a few so ripheral businesses it is notably its 51 per cent ter Steels in Canada.

lied Steel and Wire (ASW), which help. brought together the rod and wire interests of BSC and GKN in a interests of BSC and GKN in a British Bright Bar (BBR), a merger 50-50 company in 1981. GKN put in about two thirds of the roughly £100m in assets, but BSC topped up its contribution by providing cash which BSC has a 40 per cent stake. about two thirds of the roughly £100m in assets, but BSC topped up its contribution by providing cash for working capital and investment. ASW has been an unqualified ccess. In its first four months of

the next large Phoenix project, involving the foundry and forging in-terests of BSC and Johnson & Firth Brown, the terms for the private sector partner were tougher and the cash contribution from BSC relatively less substantial.

It would be wrong to single out this factor as the sole cause, but

Sheffield Forgemasters, as the ven-ture was called, has never managed to get on its feet. It has suffered losses of more than £40m since its formation in late 1982 and has twice the Phoenix ventures to date is Al- had to go back to BSC for financial Among other Phoenix ventures is

The bright bar sector is still over-crowded but BBR is trading profitably. There are also two recent trading it was losing money at a ventures with the TI group in tube 120m annual rate. But by 1984, it making, one with W. Shaw in specialised foundry products and one made a pre-tax profit of ££.3m. It has aroused some controversy, however, because of claims by some that GKN's assets were too generously valued and that the Government's cash injection was greater than needed.

Mr Alan Cox, ASW's fiercely independent chairman, dismisses these charges, arguing that the

Lonrho's Hadfields subsidiary. But they all abandoned the business before a deal could be done.

BSC still has a few significant peripheral businesses it wishes to sell,

notably its 51 per cent stake in Sla-

unions of a compromise in their CITIBANK SAVINGS, the UK re-

System 'could create 1m jobs'

MORE THAN 1m new jobs would if there were less bureaucracy. bureaucracy and simplified the offisearch published yesterday by the Forum of Private Business.
The forum, a vociferous lobby

"But we have been pessimistic and estimated that only one third of these would materialise in the first year. Even if half gave up jobs from which they moonlighted at present, he said 137,000 "legitimeant that about 900,000 jobs were likely to be created among Britain's Mr Mendham has had the formula of the said 137,000 "legitimate" jobs would result.

Mr Mendham said some of the other new jobs would come from easier procedures leading to an esti-mated 30,000 extra start-ups each year. The forum thinks another 137,000 on top of that might come from a determined government attack on the black economy.

Mr Mendham estimated the

assumes that a third would do so in

However, he thought more politiple working alone. A government amnesty, coupled with the raising of the value-added tax (VAT) registration threshold to £100,000 from for a new VAT limit and another burden-reducing idea - a right for

takeovers worth £1.714hn, and J. ing non-quoted companies. Henry Schröder Wagg was fourth with 22 bids worth £1.482bn.

Tarzan the showman puts on a star

entun,

MICHAEL HESELTINE has al-ways had a highly developed sense of the dramatic. He has given us such colourful productions as the mace-wielding incident in the House and his midnight descent—dressed in a flack jacket—to conduct a flack jacket—to comment antioperations against antinuclear demonstrators at linearly Secretary, gave his version of the Government's policy.

His presentational flair was put to brilliant use in the Com-mons yesterday as the West-land affair unfolded, like one of the those courtroom

oramas.
There was Mrs Thatcher at the start of the debate, pale-faced and dressed in a severe black costume, relieved only by a string of pearls.

She had cast herself in the ne nad cast nersen in the role of the wronger and misunderstood woman, although many of her opponents still believe she could end up as the guilty party holding the smoking pistol.

allegation in the newspapers, then I should have a very long task," she protested to her Labour inquisitors. At the end of her long defence, there was a dutiful cheer

from her backbenchers, but a considerable number of them maintained an uneasy silence. In one of those twists in the plot so typical of these affairs. barrister Leon Brittan, the



Trade and Industry Secretary, found himself accused along-

Earlier, in a radio programme, it had been rather unfairly suggested that he had a shifty look because he had discarded spectacles for contact lenses. There was not much sign of this in the House, but he certainly appeared miserable and angry in turn, as Labour leader Neil Kinnock, acting as prosecuting attor-ney, remorselessly ploughed through a catalogue of dates, leaks and allegations in an attempt to prove the case for

a full parliamentary inquiry.' But it was Mr Heseltine who was the star of the show, when he was called to give his version following Mr. Kinnock and Mrs Thatcher.

House a tale of skulduggery in high places, secret letters, missing minutes, plots and counter-plots.

with the highly charged contents of the letter from British Aerospace to Mrs Thatcher now made public, Mr Heseltine concentrated on of British Aerospace which was the much-discussed letters from Mr Brittan on October

committee meeting of December 13, which he says Thatcher maintains was never

official minutes, they were contained in the notebooks

were prepared.
"Ooh!" cried Opposition MPs. delighted at this latest titbit. "I do not think there is any point in delaying the House with further details of the with further details in the concern at the concerns that unfurled," said events that unfurled," said sortium leadership role we my Hore, more, "cried his fans appeared to be adopting.

"More, more," cried his fans appeared to be adopting.

"More, more," cried his fans appeared to be adopting.

"That the decision should be on the Opposition benches, who were firmly hooked by

the enthralling narrative."
Oh, yes, he recalled obligingly. there was that incident when Leon Brittan intended to broadcast on BBC Radio 4's The World This Weekend,

COR

Defence. Then there had been the occahad instructed the British Ambassador in Rome to ask the Italian Government to send no more messages in

consortium. Mr Brittan listened to these

he could take no more.

Chiding Mr Brittan for being timorous. Jim, in his best tenor stateman manner, serviced him of bringing accused him of bringing by saving that there had been the could take no more.

Your Minister, Mr Macdonald (Deputy Secretary) and Mr (Deputy Secretary) and Mr (Assistant Secretary) were present.

The Secretary of State began by saving that there had been

calls. Mr Brittan jumped up to deny this allegation-what

It seems that the nerve of some

Heseltine contradicts Thatcher over Westland affair

IN A dramatic confrontation with Mrs Margaret Thatcher, the Prime Minister, in the Com-mons last night Mr Michael Heseltine, the former Defence performance

the accuracy of her account of the arrangement used to establish a collective decision by the Cabinet on the Westland affair. Secretary, directly challenged He flatly contradicted her denial that a planned meeting of the Cabinet's economic committee on December 13 was can-celled, and claimed that steps were taken by the Government to prevent him appearing on a BBC radio programme in which

> of the Opposition, who launched the Opposition's attack on the Government's handling of the Westland affair, insisted to

Westland affair, insisted to Labour cheers that the main issue was "the truth."

He described Friday, December 13, when the Cabinet's economic committee was due to meet and when Mr Heseltine believed that his backing for a European rescue package for Westland was likely to prevail despite the opposition of the Prime Minister and Mr Brittan, as "the fulcrum date." as "the fulcrum date."

Mr Kinnock's call for a parlia-Prime Minister who described then," and by Mr Geoffrey Pattie, the Information Technology Minister, Mr Resettinet by the Cobined as "about of the "If I had to answer every single allegation in the newspapers. truth was dismissed by the

as "absurd." Mr Brittan, the other central figure in the debate and whose denial of having tried to pressurise British Aerospace into withdrawing from the European consortium seeking to rescue Westland also came under challenge from Mr Heseltine, intervened ahead of his windup speech to reassert the accuracy of his account of the conversation he had with Sir Raymond Lygo, BAe's managing director.

He was provoked into doing so by Mr James Callaghan, the former Labour Prime Minister, who maintained that the for-midals: speech by Mr Heseltine had cast doubt on the pany free to reach its own integrity of the Government, decision.

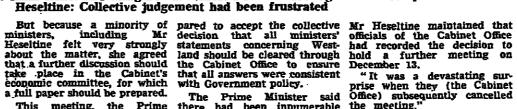


a doubt which would only be removed by a full inquiry. Mr Brittan told Mr Callaghan that his recollection of the meeting had been confirmed by three officials "who worked for your Government and whose

British Aerospace to withdraw."

Mr Heseltine's allegations about

the cancelled Cabinet economic committee meeting on a recital of the ministerial meetings



Mr Neil Kinnock: Truth is main issue. Mrs Margaret Thatcher: Further meeting not necessary. Mr Michael

Mrs Thatcher, whose speech received only an occasional dutiful cheer from the Tory backbenches, rested her rebuttal of would aflow for another meettimetable Westland had to meet ing of ministers before 4 o'clock on December 13, if unforeseen developments required one.

The resetting to the European option should be kept alive until at least December 13, developments required one.

Mrs Thatcher Insisted "but

earlier in December.

She claimed that it became ing was taken or recorded."

She maintained that the conclusion She claimed that it became ing was taken or reconcus.

Clear at a meeting held on December 6 that a majority of those present were ready to reject a recommendation by the National Armaments Directors and there was no meeting to recommendation by the National Armaments Directors and there was no meeting to statement that the ministers and there was no meeting to statement that the ministers would meet again on

The Prime Minister said This meeting, the Prime there had been innumerable Minister told the House, took discussions of Westland's place on December 9 and a clear affairs between departments line of policy had been laid and with the company over 15 down which made it unnecesments, so that the allegation sary to hold a further meeting. that the Government had not discussed the issues in sufficient depth or in a timely way was "absurd."

> Mr Heseltine contended that when it would have again come before the Cabinet's economic committee had had a

"It was a devastating sur-prise when they (the Cabinet Office) subsequently cancelled

the meeting."

Mr Heseltine insisted: "Collective judgment had been frustrated." In these circumstances he knew where his duty lay and, while he regretted having resigned he had no doubt ing resigned, he had no doubt that he had been right to do so. He made it clear he was pre-pared to have his version examined by a Comons select

committee.
Mr Kinnock said the whole country knew that the Prime Minister was a domineering leader. What has been less obvious was the effect of such a domineering attitude on the system of Cabinet government. Since it was not possible to dominate continually by merit

politics and became systematic connivance against Cabinet colleagues.

When ministers would not concede to domination, when bullying would not make them back down, they had to be undermined, isolated and bypassed. Sooner or later, some-one was bound to resist, even to the point of resignation.

Mr Kinnock said Mr Heseltine had made serious allegations that, after his efforts to put together a European alternative to rescue Westland had been approved by the Cabinet, he encountered strong opposition from the Prime Minister. Mr Kinnock said the crucial question was why the decision

of the European National Armaments Directors obtained by Mr Heseltine in favour of European intervention was set aside. He asked why the policy of non-intervention was adopted, and how it came to be approved without the benefit of a collective decision by the Cabinet.
"How does the practice in

the privacy of government match with the public declarations to this House and to the country?" he demanded. Mr Kinnock said Mr Hesel-

tine's claim that there was an even-handed policy for public display and a private policy of favouritism was a grave allega-tion. It would be supreme folly for the allegation to be made if it could not be substantiated, because it would be so easy to disprove if it was false.

Mr Kinnock said there was a

conflict between the descrip-tions of the various Cabinet and Cabinet committee meetings on Westland given by Mr Heseltine and Mr Brittan. The con-flict could be resolved only by calling witnesses before a com-mittee of the Commons. The committee would inevit-

ably consider why the Government's policy was changed, and why the new policy was so rigorously followed by the Prime Minister, even to the point of inspiring allegations of Britain, France, West
Germany and Italy favouring a
Dealing with the Cabinet
European rescue package for
Westland, thus leaving the company free to reach its own
that he alone had not been pre
statement that the ministers duminate conditionally by meet again on of argument, patronage or petuthat the ministers duminate conditionally by meet to defeat; that a meeting as ill-tempered in defeat; that a meeting was candomineering leader to employ other techniques. These plainly included tactics which went insisted upon by a member of the Cabinet. that she was ill-tempered in defeat; that a meeting was can-

worrying to say the least.

Whatever the words used

were meant to convey, the

message was perfectly clear. I

would therefore ask you to take

Yours sincerely.

Austin

Inclusion of Lloyd's in City Bill ruled out

By Kevin Brown

THE INCLUSION of the Lloyd's insurance market in Financial Services Bill was firmly ruled out yesterday by Mr Leon Brittan, the Trade and Industry Secretary, even if such a course were to be recommended by the committee of inquiry into Lloyd's headed by Sir Patrick Neill, the vice-chancellor of Oxford University.

Mr Brittan faced strong Opposition pressure at Question Time for Lloyd's to be bought within the scope of the bill, which sets up a new statutory framework for the operation of City institution the City institutions.

He was asked by Mr Derek Fatchett (Lab, Leeds Central) to make sure that the Lloyd's inquiry reported before the bill completed its passage through the Commons, so that the committee's recommendations could be acted upon immediately. Mr Brittan said the timing of

mar brittan said the timing of the committee's report was a matter for Sir Patrick. But he said the bill would not be a proper vehicle for statutory intervention in Lloyd's "even if Sir Patrick came to the con-clusion that it was appropriate."

There were also claims from both Labour and Liberal MPs that Mr Michael Howard, the Minister for the City, faced a conflict of interest over the bill because of his membership of Lloyd's. Mr Bryan Gould, Labour's

trade spokesman, asked whether the Government had considered the guidelines on minsterial conflicts of interest drawn up by Sir Winston Churchill and approved by every subsequent Prime Minister.
This directed that, where

there was a conflict between a minster's private interests and his public responsibility, he must divest himself of his private interests. Mr Gould said Mr Howard should either resign from Lloyd's or step aside to allow another minister to pilot the bill through the Commons. This was a matter which the CBI and

others in the City would be concerned about.

Mr Paddy Ashdown (Lib, Yeovil), said Mr Howard's personal reputation was beyond question, but his status as a member of Lloyd's was bound to undermine the bill and the The meeting took place immediately following a discussion Sir Raymond was having with Mr Pattie on Airbus Indusprobity of the Government Mr Brittan said he was

perfectly satisfied that Mr Howard would be able to discharge his responsibilities with propriety and honour. There were angry protests from some Labour MPs, from some Labour MPs, including Mr Dale Campbell-

Savours (Workington) who shouted: "It is an abuse of our Mr Howard did not respond to the Opposition allegations, which followed noisy scenes late on Tuesday night when he

attempted to wind up for the Government in the second reading debate on the bill. in what should have been a

Poll boost for power sharing

By Our Belfast Correspondent

MORE THAN 68 per cent of people in Northern Ireland agree in principle with power sharing between the political parties, according to an opinion poll conducted in the wake of the Anglo-Irish agreement.

This was about the only area of common ground between the unionist and nationalist communities in a survey which otherwise underlined wide divisions. The concept of power sharing was supported by 61 per cent of protestants and 78.6 per cent of Catholics.
When asked to choose from a

range of options for the future of NUorthern Ireland, 24.1 per cent backed devolution with power sharing, 23 per cent com-plete integration with Britain. 11.4 per cent devolution with majority rule, 9.6 per cent con-tinued direct rule, 8.6 per cent a united Ireland, 7.6 per cent joint authority between London and Dublin and 5.6 per cent independence.
The poll, based on 2,004 inter-

views—twice the normal num-ber for such a survey—was com-missioned by the Belfast Tele-graph and conducted by the market research division of Coopers & Lybrand, the accountants, earlier this month.
It revealed widespread uncertainty about what the new deal gave to the Dublin Government, with 43 per cent believing Dub-

limited to consultations. particular case might be put. The consultative role for British Aerospace had relations Dublin was opposed by 55.7 per

with this department also. Sir cent of protestants, while 86.6 Raymond took this point.

The Secretary of State said a voice in decision-making was unacceptable. Almost half believed the

tainty involving Westland agreement would lead to in-should drag on. Sir Raymond creased violence, but 88.2 per said that he had heard the cent disagreed with violent mitted to collaborative ventures same message elsewhere but opposition (84.7 per cent in the with MBB [West German aero-questioned what was the case of protestants). However,

BAe-Downing Street correspondence and DTI minutes in full

LETTER FROM SIR AUSTIN PEARCE, BAe CHAIRMAN, TO MRS MARGARET THATCHER

You should be aware that, would wish to see it. At the You should be aware that, while visiting Mr Pattie (Information Technology Minister) to discuss Airbus business on Wednesday the Sth Jamuary, Sir Raymond Lygo, my chief executive, had an impromptu meeting with Mr happy with the situation. You happy with the situation. You should be aware that in his consortium were very content to let the shareholders decide, so long as they were given the facts.

You should be aware that, the consortium were very content to let the shareholders decide, so long as they were given the facts.

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You should also the consortium were very content to let the consortium were very content to let the shareholders decide, so long as they were given the facts.

You should in meeting hel Mr Michael Heseltine.

You should also be given the facts.

You should also be given the facts.

That the Ministry of Defence approached by Mr May British Aerospace and the consortium were very content to let the shareholders of the consortium were very content to let the shareholders of the consortium were very content to let the shareholders of the consortium were very content to let the consortium were very content to

Under-secretary) all of his department, as well as his

ectly to a special board meeting of British Aerospace which was in progress and made a full 4 and 18.

Then there was the Cabinet the board. He also wrote down of all the salient points that had December 13, which he says was canceled and which Mrs tated that the following points were specifically covered by the Secretary of State: definitely arranged

Mr Heseltine alleged that offi
Mr Heseltine

cials of the Cabinet Office the DTI were our sponsoring recorded the fact that the department we should have meeting of the 13th was to be consulted with his Department held and, although these before we entered the con-words did not appear in the sortium.

from which these minutes actions might have on our American business and in particular on the A320 (aircraft project) and his concern about the effect on Anglo-American business that our actions might he having.

3—His concern at the consortium leadership role we

4—That the decision should be left to the shareholders alone.

5—That the agreement of the ing, since we had been toldstone of the partial of the since we had been told been told been told to the partial of the same of the National Armaments Directors prove this by showing Sir Raymond the minutes of the meetings which discussed it The World This Weekend, Raymond the minutes of the Samuel The World This Weekend, Raymond the minutes of the Samuel That our European partners while he, Mr Heseltine was meetings which discussed it. Samuel That was strictly forbidden to appear to reply for the Ministry of the Ministry to reply for the Ministry of Defence.
That we should withdraw.
That we

would wish to see it. At the 6-That E-tish Aerospace and At no time was any discussion privatised company had con-Leon Brittan in the Department should be aware that in his

Pattie, Mr Macdonald (Mr Alastair Macdonald, DTI trade: that we had actually sugDeputy Secretary) and Mr gested that some of the words
Michell (Mr John Michell, DTI originally used in the National trade; that we had actually sug-gested that some of the words made against the attitude of out of his way at the consortium's Press conference to make a lengthy statement to one of the American correspondents there to the effect that he wished that the debate would not be trivialised to the extent of portraying the European consortium as being anticonsortium as being anti-American because it was not in the interests of the US to have a weak defence industry in Europe; quite the reverse, and to be pro-European did not mean that one had to be anti-

American. In fact, the reverse was true. 3—That in his own case he was married to an American, had spent many happy years in the US and served in the US Navy which he suspects was a greater involvement in the US than anybody present at that meeting, and the last person that could be accused of being anti-American, in his view, was

4—That he found the reference

involved in the consortium were the same partners in our most Kinnock and Mrs Thatcher.

Trage and Industry at verbal reply to the Secretary of State, Sir Raymond made the gangway, the former Defence Secretary laid before the packed and silent the presence of Mr Geoffrey State and Industry at verbal reply to the Secretary of State, Sir Raymond made the following points:

The meeting was at the following points:

I—That the board had considered fully the implications of State and Industry at verbal reply to the Secretary important programmes, Airbus, the sponsoring department, the British As British As Golfrey Industrie.

This discretization of Tormade In view of the serious nature

Armament Directors' agreement be amended to avoid implying that the action was a mended to avoid implying British partner GEO about 1 informed of what had taken

should be approached to learn whether, what we had been given to understand was correct.

Thank you for your letter of 12 January about the meeting at the Department of Trade and Industry on 8

You will have read Leon

Brittan's statement in the House on Monday in which

he gave his recollection, which was shared by the Ministers and officials present, of that meeting. You were kind enough to send me a copy of Sir Raymond's account of the proceedings (which I under-

ceedings (which I understand that you are not pre-pared to have published) and I am sending you with this letter a copy of the record of the meeting taken by the Department of Trade and Industry, which will be pub-

Let me emphasise that we are pleased that the West-

land board has enjoyed a

ceedings (which I und

Dear Sir Austin

You should also be aware that on December 11. I was approached by Mr Macdonald of the Department of Trade and Industry who expressed the de-partment's concern that British Aerospace had not consulted

ings with Sir Basil Blackwell [former Westland chairman] on [Westland chairman] on July 15 when British Aerospace had stated its interest in ensuring the survival of Westland and that these conversations had been reported to Mr Tebbit

British Aerospace as a fully public comment.

choice of offer. As I bave

choice of offer. As I have told the House of Commons, Westland is a private sector public limited company and the company's decision on its future is a matter of commercial judgment for its directors, and ultimately its shareholders. That remains our policy.

Finally, let me assure you,

as I assured Sir Schn Cuckney [Westland chair-man] in my published letter

of I January, that whichever of the two proposals currently under considera-

tion the company chooses to accept, the Government would continue to support Westland's wish to partici-

pate in European collabora-tive projects and would resist

to the best of its ability attempts by others to dis-

criminate against Westland.

Thank you for agreeing that your letter can be pub-

our policy.

about the meeting held with sidered the consortium proposal on a commercial basis and since the DTI had not responded in any way to British Aerospace's trie's proposals for a new pro-expressed interest in the West-gramme. The connection is land survival, that British Aerospace should proceed on the basis of its commercial interests and these took into account the US relationships for both British Aerospace and Airbus this letter into account in any further exchanges that might This discussion covered some take place, or in any further

ed above statements that might be made. but not as pointedly as were by the Government, in order to made to Sir Raymond. We were avoid further embarrassment. thus aware of the arguments being made by the DTI, but believed that the shareholders of Westland should decide. That is still our position is still our position.

fore requested a meeting with out by much other information him which was held on Decem- that is coming to light. So far ber 13 at which I stated that we have refused to make any

PRIME MINISTER'S RESPONSE—AND SIR AUSTIN'S REPLY lished since it has become a public issue. I am publishing this reply.

Margaret Thatcher. Sir Austin seut a second letter to the Prime Minister at Downing Street yesterday. It reads: Dear Prime Minister,

Yours sincerely

Thank you for your letter of January 15 and for sending me a copy of the record made by the Department of Trade and Industry of the meeting held with Sir Raymend Lygo on January 8.
It is evident there are two
differing recollections of what
was said at these meetings. It is our hope that we will now be able to concentrate on the important issues con-cerning the future of West-

land plc. I am publishing this reply to your letter.

Sir Austin Pearce.



recollections

OFFICIAL RECORD OF MEETING BETWEEN MR LEON BRITTAN AND SIR RAYMOND LYGO support of the European MEETING with Sir Raymond in the Secretary of State's view, recommendation. This was now hoped that discussions with

consortium.

Lygo: January 8 1986

on January 8 the Secretary of State took the opportunity of when Jim Callaghan, the Sir Raymond Lygo's meeting former Labour Prime with your Minister to have a Minister, started to goad him, Had such views been House. expressed earlier they would The

ceedings is available if you were genuine and better.

acrused him of bringing
pressure to bear on British
Acorspoce at his meeting one aspect of the Westland issue
with the company's managing

The Secretary of State began
by saying that there had been
one aspect of the Westland issue
that had been of particular condirector. Sir Raymond Lygo.

Amid furious shouts and catminister. This concerned the to ensure that Westland Nanotheless has a specific and cate of the specific and cate minister. This concerned the impact on potential sales to the US of the A320 (Airbus Indus-

was more, he had me work of three senior officials who had served under a Labour adverted under a Labour accordance to back him up. It seems that the nerve of some of the main participants in this long saga is beginning this long saga is beginning this long saga is beginning pressure.

The Secretary of State said comment that the National mercial interest especially in the US. For example any the US. For exampl trie airliner).

undoubtedly have hindered the that it might have been helpful the difficult and complex negotiations with the United States trade representative concerning the difficult and complex negotiations with the United States trade representative concerning to him initially. However naving not done so and, British Aerospace having taken a compensation to participate at previous meetings.

At the discussion later that the discussion later that the discussion later that the discussion is previous meetings.

At the discussion later that the discussion later that the discussion later that the discussion later that the discussion later than the discussion later that the discussion later that the discussion later that the discussion later than the discussion later that the discussion later than the discussion later than the discussion later than the discussion later than the discussion later that the discussion later than the discussion l In response to Sir Raymond's British Aerospace's wider comlog engineers' work per annum
rice airliner).

The Secretary of State said comment that the National mercial interest especially in could be made available to
The Secretary of State said comment that the National mercial interest especially in westland. Such an offer from

The Secretary of State said in the European consortium, the Secretary of State took no view

particularly damaging and the position and had been made potentially could fuel protection and had been made westland that evening would be their US business being potentially could fuel protection to the Secretary on a true commercial basis. An harmed tionist sentiment in the US.

of State's statement to the attempt would be made by both The Secretary of State resides to lower the temperature at this meeting, Indeed Sir Brian Hayes (Permanent Secreundoubtedly have hindered the that it might have been helpful tary DTI) had himself coninterest. He repeated, howthe difficult and complex negoto him initially. However havstatulated Sir Raymond on his
ever, that, in his view, it was
success in lewering the temmuch more effective if the

evening, British Aerospace would probably make a further improvement in the European shortage of engineering capability at British Aerospace some

pressed great concern about they had not done so. Sir their US business being Raymond was fully aware of sponded by saying that he was ready to act immediately in defending British Aerospace's

current round of discussions At the discussion later that was not interpreted as being anti-American in sentiment. Sir Raymond commented that the Ministry of Defence offer. In order to resolve a was British Aerospace's biggest single customer. He also emphasised that British Aerospace was considerably com-

the dangers and hoped that he was capable of managing this delicate balancing act.

The Secretary of State com-mented that customers could made about Ulster and 41 per not dictate the extent of the cent thinking its role was enthusiasm with which any that it was not in the national

interest that the present uncer-

THE GOVERNMENT yesterday published its Public Expenditure White Paper setting out expenditure plans for the next three years. The main points are outlined here.

Further changes have been made to improve information about the spending plans. There is more analysis of the value for money being achieved and

about the spending plans. There is more analysis of the value for money being achieved and this is the first public expenditure White Paper to set out the spending plans mainly by department, rather than by pro-gramme. This reflects the way decisions are taken, and follows the presentation in the 1985 Autumn Statement. The 1986-1987 supply estimates will be

presented on the same basis. The Government's plans for public spending are an integral part of its Medium Term Financial Strategy (MTFS), which is bringing about lower inflation and a sustained period of economic growth.

The cash totals set within this

framework for public spending are designed to hold total spending broadly level in real terms. As the economy grows, public expenditure will continue to fall as a percentage of national income and the burden of taxation can come down—improving motivation. efficiency and

Within the available cash totals the Government aims to get better value for money from public spending year by year. The annual review of spending looks not just at the money spent but at outputs and the efficiency with which they are

The November 1985 Autumn Statement gave the broad results of the annual review public spending. This White Paper elaborates the plans for 1986-87 — which provide the basis for the Supply Estimates, cash limits and other spending controls for the year ahead—and for the following two years. Revised projections of government receipts, spending and borrowing over the mediumterm will be given in the next Financial Statement and Budget Report (FSBR) on Budget Day. The estimated out-turn for

total in 1985-86 is £134.2bn. This is the same as planned in the March 1985 FSBR. The planning total for 19861987 has been set at £139.1bn,
and for 1987-88 at £143.9bn.
These totals are unchanged
from the 1985 FSBR, when they
were increased from these set

were increased from those set out in last year's Public Ex-penditure White Paper (Cmnd 9428) to include larger reserves and extra provisions for employment and training measures. A planning total for 1988-89 has now been set, at £148.7bn.

PUBLIC SPENDING TRENDS

The estimated out-turn for the estimated out-turn for into the planning total in 1985-86 is funds. the planning total in 1963-60 is funds.

3.5 per cent above spending in 1984-85, rather less than the expected rate of inflation of 5 for 1986-87 is some £1,260m.

The planning total in 1963-60 is funds.

Provision has been increased and the gross aid programme these and the Redundant Minespected rate of inflation of 5 for 1986-87 is some £1,260m. About 60 per cent of the provide for cash increases of 3.6 per cent in 1986-87, 3.5 per cent in 1986-87, 3.5 per cent in 1988-89. The trend is broadly in line with the provided by the miners' strike.

Workers' Payments Scheme the trend of expenditure is flat. Expenditure in 1984-85, and to give trend of expenditure in 1984-85, and to give the main part of the £3.5bn them effective and appropriate treatment and care where and technical co-operation— inflated by the miners' strike. in line with expected inflation; thet GDP deflator is assumed to increase by 4.5, 3.5 and 3 per cent respectively in the years 1986-87 to 1988-89.

So in real terms public spending in 1985-86 is expected to be a little lower than in 1984-85. This remains the case even after allowing for the effects of the miners' strike, which increased spending by about £2.5bn in 1984.85 and a little over £1bn in 1985-86. Over the period of the plans spending in real terms is expected to remain broadly stable at around the

PUBLIC SPENDING AND NATIONAL INCOME

General government expenditure as a percentage of GDP has been falling since 1982-83. The definition of expenditure ised in this comparison has been changed from earlier White Papers. General govern-ment expenditure covers spending by central and local government. It differs from the planning total, for example, by excluding part of public corporations' spending and includ-ing debt interest payments.

With public spending over the next three years expected to be stable, and the economy continuing to grow, this trend will continue. The percentage is expected to be 44.5 per cent in 1985-86, the lowest since 1979-80, and to fall to 41 per cent by 1988-89, the lowest since 1972-1973. Spending on goods and services as a percentage of GDP shows a similar trend.

PUBLIC SPENDING DETAILS: PRESENTATION

There are different ways of analysing total public spending. Each of them is useful for answering different questions. This White Paper is organised mainly by department—"who plans it." This covers all spending for which the relevant Secretary of State is responsible, whether it is carried out by central government, local authorities or public corporations. But figures are also given for the different spending authorities—" who spends it "and for economic categories-

what is it spent on. used in previous White Papers analysed spending in part by department and in part by function. In most cases the two approaches are the same but some departments spend money on a range of different func-tions. To complement the purely departmental approach,

plans.
The following paragraphs summarise key aspects in the main departments' spending. These include changes in the allocation of resources, the out-puts being achieved, and steps

Planning

departments

The Government's objectives for defence are to ensure the security of the nation and maintain our freedom. £18.5bn has been provided in 1986-87, rising to £19bn in

Since 1978-79 provision for defence has more than doubled in cash terms. Spending is being switched from manpower to equipment. In 1979-80 nearly spent on manpower and just under 40 per cent on equip-ment; by 1985-86 a little under 35 per cent was spent on man-power and 46 per cent on

Civilian manpower has been reduced, reflecting improve-ments in efficiency and the transfer of tasks to the private sector, while regular and re-serve service manpower has been increased. Manpower is being switched from nonoperational support to frontline tasks.

The UK's defence capabilities are benefitting from major and continuing re-equipment programmes for all three services. A wide range of measures is in hand further to improve efficiency and value for money. particularly through increased competition in buying equip- British Steel Corporation on the low cost home ownership ment. In 1984-85 27 per cent public finance. Provision for schemes. of contracts by value were export credit support has been Local authorities and new placed following competitive increased since the last White towns improved or converted tender, compared with 14 per Paper, but the total costs are over 95,000 dwellings in 1984.85,

FOREIGN AND COMMONWEALTH OFFICE (inc. ODA)

The main aims of the overseas ald programe are to pro-mote sustainable economic and schemes to promote energy countries, particularly the is the privatisation of British poorest Political and commer-cial considerations are taken The trend in total expendi-

than 120 countries. More than three-quarters goes to countries with an annual income per head of \$790 or term development, but emergency relief is also provided including some £75m in 1985-86 to drought-hit areas of Africa. The remaining 40 per cent of the aid programme is provided as multilateral aid through channels such as the World Bank Group, the European Community and various

protect British interests over-

In 1986-87 £640m is provided. Diplomatic or consular relations are maintained with 162 countries. Information gathered by FCO commercial offices makes an important con-tribution to securing export business. Funds are being provided to improve the audibility of the BBC External Services throughout the world.

AGRICULTURE

Spending on agriculture is intended to foster an efficient and competitive agricultural industry, taking account of the sors, traders and consumers.
The growth in spending over 1984-85 levels chiefly relates to market support under the Final 1984-85 levels chiefly relates to market support under the European Community Common Agricultural Policy (CAP) rather than to UK domestic schemes. The Government will continue to seek charge in the CAP on motorways and trunk roads to seek changes in the CAP to bring this spending under better control. The largest component of UK market support in 1985-1986 is for cereals; net pur-chases into intervention of 1.9m tonnes are expected, leaving

TRADE AND INDUSTRY (inc ECGD)

stocks at 5.6m tonnes.

Spending is aimed mainly at regulating British commerce and encouraging and helping trade and industry to increase national production of wealth by competing successfully in the what is it spent on.

The programme classification UK and abroad. Increased sed in previous White Papers emphasis is being given to

PUBLIC SPENDING IN REAL TERMS BY DEPARTMENT® £bn (base year 1984-85) 1983-84 1984-85 1985-86 1986-87 1987-88 1988-89 outturn outturn estimated plans Defence
Foreign and Commonwealth Office† for two-thirds of total spending
plans.
The following paragraphs
Trade and Industrys Energy Employment Transport
DoE—Housing
DoE—other environmental services Home Offices

Education and Science

Arts and Libraries

DHSS—Health and personal social services.

DHSS—social security Scotland
Wales
Northern Ireland
Chancellor's Departments
Other departments -2.5 -4.3 -0.1 -0.4

* Cash figures adjusted for general inflation. † Including Overseas Development Administration. † Including Intervention Board for Agricultura' Produce and Forestry Commission. § Including Export Credits Guarantee Department. ¶ Including Lord Chancellor's Department. ¶ Including Property Services Agency and Civil Superannuation. ** The 1985-86 estimated outnum figure includes an allowance for shortfall. The 1986-87 plan figure includes external fluance of —£400m for nationalised industries to be privatised that year. †† Totals have been rounded independently.

Adjustments**

PUBLIC EXPENDITURE PLANS AND *OUTTURNS AND ESTIMATED OUTTURNS

	1980-81	1981-82	2 198 2-8 3	1983-84	1984-8	1985-86	1986-87	1987-88	1988-89
March 1980 White Paper?	91.2	101.0	106.3	112.4					
March 1981 White Paper 1	+92.8	104.4	109.9	113.6					
March 1982 White Papers	+93.0	*105.7	114.6	120.7	127.7				
February 1983 White Paper .	+92.7	*104.7	*113.0	119.6	126.5	132.3			
February 1984 White Paper .	*92.7	+104.7	*113.4	*120.4	126.5	132.1	136.7		
January 1985 White Paper	+92.7	*104.6	*113.4	*120.3	*128.2	132.1	136.7	141.5	
March 1985 Budget	*92.7	*104.6	*113.4	*120.3	+129.7	134.2	139.I	143.9	
This White Paper	*92.6	*104.0	*113.3	*120.3	*129.6	*134.2	139.1	143.9	148.7

† Converted into cash as explained on page 103 of Cmnd 8494 Vol 2. ‡ Including changes announced in the March Budget Statement.

The aim of economic exploitation of the nation's energy resources is pursued through the department's spending on social development and to efficiency. One of the major alleviate poverty in developing priorities in the coming year

The trend in total expendiaccount in allocating ture is dominated by the finances of the nationalised

EMPLOYMENT

The main objectives are to promote enterprise and job creation, to assist unemployed people, to promote training and to help the labour market work more efficiently.

Spending by the Department of Employment Group is planned to rise by about a fifth in cash terms between 1985-86 and 1988-89. For the Community Programme the aim is to reach United Nations agencies.

The aims of the diplomatic
wing of the Foreign and Commonwealth

Office are to enhance the security and prospective form and the section of the sec perity of the UK and dependent 1986 to provide two years' territories and to promote and training for 16-year-old school leavers and one year's training for 17-year-olds.

Substantial increases efficiency have been achieved. The job centre services are expected to place 1.9m people in jobs in 1985-86 (compared with 1.5m in 1981-82) at a cost per placing of £59 (£96 in 1981-82). In the unemployment benefit service the average ratio of claimants to staff has improved from 75:1 in 1978-79 to 119:1 in 1985-86, with a target for further improvements to 130:1 in 1988-89.

TRANSPORT

The objectives are to improve

on motorways and trunk roads has been increased to some £815m in 1986-87, a 10 per cent increase over 1985-86. Construction is planned to start on 150 miles of new road in 1986-87 compared with 80 miles in 1985-86. 86. Much of the additional money will be spent on structural maintenance—about 250 miles should be renewed. Since 1979 average costs of building motorways and trunk roads have fallen by 20 per cent in real

DoE---HOUSING

A major objective is to enable emphasis is being given to homes. And many more are advisory services to assist industry to innovate and improve efficiency. There will be continuing support for key technologies crease of 6 percentage points or such as information technology, micro-electronics and fibre the increase has come from optics.

Overall provision falls from

£2bn in 1985-86 to £1bn in 1988- initiatives: more than 720,000

a 25 per cent increase over the last five years. The plans proare have been made to previous plans to increase funding over the next three years, ing of promising developments. The Government intends that, within this total, priority given research in universities, and to to improving the quality of the housing stock should increase. housing stock should increase further. Provision of new homes, some 57,000 in 1984-85. is increasingly being concentrated on those with specialneeds that cannot be met in the private sector.

SERVICES

assists selected areas facing severe social, economic and environmental decline. The sams are to get more effective use of resources, attract private investment, and promote new and flexible approaches to urban involved. Combined provision for the

corporations of £500m a year has quadrupled since 1978-79. Expected outputs in 1985-86 include 1,100 new industrial projects, training places for 16,000 people, 280 health projects, and the reclamation of 1,300 hectares of derelict land. Increased resources will be available for the heritage, for example to improve the pre-sentation of monuments and buildings which attract more than 7m visitors each year, and for nature conservation.

HOME OFFICE AND LORD CHANCELLOR'S DEPARTMENT The main aims of spending on

the criminal justice system are to prevent and detect crime, convict the guilty, and put into effect the sentences or orders imposed on them. Total pro-vision of £5.5bn has been made for 1986-87.

for 1986-87.

Police strength at March 1985 stood at 120,000—8 per cent more than in 1979. Numbers of offences cleared up by the police rose by 17 per cent between 1979 and 1984.

The prison permutation

The prison population averaged 43,600 in 1984-85 and rose to 48,000 in the course of the current financial year. An additional £100m has been allocated over the period of the plans to allow for continued growth in manpower and the prison building programme. The workload of the Crown Courts has risen by 67 per cent since 1979. The court building programme is planned to continue; 161 courtrooms have opened in the past five years, 79 are being built and 54 will be started in 1986-87.

Provision of some £360m in 1986-87 is made for legal aid. This is to ensure that those without adequate fluancial means are not denied access to legal advice and to the courts.

EDUCATION AND SCIENCE

The aim is to raise standards of schievement for all levels of ability throughout the educa-tional system. Total spending of £14.3bn is planned in 1986-87, most of it incurred by local authorities.

Three-quarters of school 1989. A significant factor is the in the six years to 1985. 75,000 leavers are achieving five or declining dependence of the homes have been bought under more graded GCE O-level or CSE results. In the higher education sector, the number of students obtaining first degrees is forecast to be more than 100,000 in 1988-89, compared with 85,600 in 1979-80.

Additions of some £35m a and technology.

DHSS-HEALTH AND PERSONAL SOCIAL SERVICES

The objective for the National

DOE-OTHER ENVIRONMENT Health Service is to make the best use of resources to help people stay healthy, and to give rities. increase to £17.7bn, 7.5 per cent Spending in the inner cities more than planned for 1985-86.

Between 1978 and 1984 the number of nurses and midwives urban programme, derelict land rose by 12 per cent. Numbers grant and urban development of ancillary staff fell following moves to improve efficiency in competition with the private

Between 1978 and 1984 the number of in-patient cases handled by the hospital services rose by an average 2.4 per cent a year, in-patient cases per available bed by 4.1 per cent a year, and day cases by 8.2 per cent a year.

Annual efficiency savings from

Annual efficiency savings from health authorities cost improvement programmes are expected to grow from the £150m planned in 1985-86. This should mean that, after meeting cost pressures, there are further improvements in provision for old people and for services such as cardiac surgery and him. as cardiac surgery and hip The resources available to the

Family Practitioner Services have also increased. The number of family doctors rose by 12.4 per cent between 1978 and 1984 while their average list size fell. The number of completed courses of dental treatment has risen by 15 per cent since 1978 to 31.2 million. The plans provide for forecast demands on these services.

DHSS-SOCIAL SECURITY The aim of the social security

system is, within the Govern-ment's wider social and economic policies, to provide for retirement pensioners and give an efficient and responsive system of financial help to others who need it. Spending of £43bn is planned in 1986-87, accounting for more than 30 per cent of total public spending. The proportion spent on administration has fallen from 5 per cent in 1978-79 to 4.5 per

of the budget will be paid to elderly people. The real value of the state retirement pension has increased by more than 5 per cent since November 1978. Over the same period the number of people receiving pensions has increased by 10 per cent. About a sixth of the budget will go to unemployed people and a similar proportion to families. two-thirds of it in

THE RESERVE The reserve provides a margin to meet contingencies not covered elsewhere in the plans,

It is normal to allocate some of the reserve to departmental programmes as plans are rolled forward and firmed up.

The reserve for 1986-87 has The reserve for 1986-87 has been set at £4.5bn. This is expected to be fully adequate; substantial additions to departmental provision have been made in the latest spending region to take account of fortune to the following regions to take account of fortune to the following regions to take account of fortune to the following regions to take account of fortune to the fortune to take account of the fortu view to take account of factors such as the temporary increase in the inflation rate in 1985.

Larger reserves, at higher levels than in the 1985 FSBR, are provided at this stage for the second and third years of the plans—£6.25bn in 1987-88 £8hn in 1988-89. The uncertainties are greater for those years, in particular because decisions on provision for local authority current expenditure have yet to be

PRIVATISATION

The privatisation programme is growing The aim is to promote wider share ownership and to increase efficiency. wheher by competition or by other means. Privatisation allows more incentives for other means. management and employees. many of whom become shareholders in their company.

The improved performance of

privatised businesses benefits consumers, employees and the economy as a whole. The programme has helped double the number of shareholders in the

Proceeds from privatisation are, in line with international conventions, netted off the public spending figures. They are estimated to increase to £4.75bn in each of the next three years. Receipts from the sale of the British Gas Corporation are included.

Interest payments are fore-cast to be about £18.5bn in both 1986-87 and 1987-88, and £19bn in 1988-89 — much the same as in the 1985 FSBR

Spending on social security (including pensions) has risen from 25 per cent of the total-in 1978-79 to 31 per cent in 1985-86. Spending on health and personal social services has risen from 141 personal to 15. risen from 14 per cent to 15 per cent. Some further increase in both these areas is planned over the next three years, together with a continued rise in spending on employment and training.

from 11 per cent in 1978-79 to 13 per cent in 1985-96; a slight fall in the proportion is now planned as the benefits from past increases continue to be felt and the programme of efficiency improvements build up. An increase in the law and order share is maintained in the plans. A fall in the education and science share reflects the fall in the size of school rolls.

Gross spending on public sector housing, and subsidies to trade, industry and energy, have been reduced substantially as a share of total spending. The Government's policy is for the private sector to provide a greater share of housing needs, and Government support to industry — in both the reduced as profitability has improved.

Spending authorities

Central government is responsible for spending about three-quarters of the planning total. Local authorities spend most of the rest. The rest is the net amount public corporations, in-cluding nationalised industries, need to finance their activities.

CENTRAL GOVERNMENT

Seventy per cent of central government spending within the planning total is voted by parlia-ment through the annual Supply Estimates. The rest consists mainly of those social security payments which are paid out of the National Insurance Fund. In total about 40 per cent of central government spending goes on social security. The two other largest components are defence and health.

LOCAL AUTHORITIES

Spending by local authorities accounts for about a quarter of public expenditure. Education spending is more than 40 per cent of the local authority total. Most of the rest goes on law and order, housing and other environmental services, personal social services and transport expenditure. Detailed material on local authority spending is given in Part 4 of the White Paper.

the decisions on the Social tional financing bur Security Review announced in particularly on ratepayers. Cmnd 9691. For 1986-87 the Govern For 1986-87 the Government has increased the provision for

Supplementary benefits will be replaced by a new simpler income support scheme with special help provided through a separate social fund. Housing benefits will be simplified and tentily income supplement will authorities' current spending by f620m to £26.7bn. Targets will not apply in England and Wales in 1986-87, but there will be tougher block grant pressures to family income supplement will be replaced by a new family credit scheme to be paid through the wage packet. deter over spending. Twelve English local authorities will be subject to rate-capping. Twenty new authorities, including the new joint

board for fire, police and transport in metropolitan areas, will be subject to automatic precept be subject to automatic precept control. Together these two groups of authorities account for spending of around £3.5bn.

The Audit Commission has estimated that efficiency gains of at least £1bn are possible in local authorities in England and Wales Value for money studies.

Scottish local authority.

The Government looks to authorities to improve their efficiency in delivering services. But the possibility that this process may take time to develop, and that local authorities may spend more than is planned on certain services, has been taken into account in setting the size of the 1986-87 Reserve.

For 1987-83 and 1988-89 the provision for local authority current spending has yet to be

current spending has yet to be decided and the figures in this White Paper are based on the same cash levels as 1986-87. The reserves for these years take this into account.

Net provision for local authority capital spending in 1986-87 has been increased by local £200m to £3.7bn, compared with £3.1bn planned in 1985-86. The increase mainly reflects extra provision for housing renova-

spending was more than the Government planned in 1984-85, and further overspending is expected in 1985-86. In order to keep spending in line with plans the 1986-87 capital allocations from departments to local authorities take a cunt of all the sources of speryling power authorities have available, and the extent to which they may be used. The main other source is capital receipts, particularly from sales of council houses.

NATIONALISED INDUSTRIES

The planning total includes nationalised industries' external finance—their borrowing and leasing plus grants from the Government Detailed information is given in the White

In 1986-87 external finance is planned to be £500m after making the adjustment for industries to be privatised. This CIVIL SERVICE MANPOWER compares with an estimated out.

turn of £2.2bn for 1985-86. The number of civil servants turn of £2.2bn for 1985-86.

Carry-over effects of the miners' strike are likely to have added about £1bn to coal and electricity external finance requires

The number of civil servants has fallen by 136,000 (18.5 per cent) since 1979; from 732,000 in April 1979 to 596,000 in Octobricity external finance requires

Authority or National Bus Company in view of impending privatisation. External finance require-

ments are expected to continue in some industries and the profitability of others is improved. In both 1987-88 and 1988-89 net external finance requirements of the remaining Crown Prosecution Service. industries are close to zero. As in previous White Papers no detailed breakdown of individual industries' financing is

shown beyond the year ahead. However, British Rail the National Coal Board and London Regional Transport continue to be the main expected recipients of external finance throughout the period,

OTHER PUBLIC CORPORATIONS

As with nationalised industries for the majority of other public corporations the planning total includes their external finance. Examples are the urban development corporations and the Northern Ireland Electricity Service.

But for some other bodies, such as the new town develop-ment corporations, their capital expenditure plus subsidies to them counts as public expendi-ture. Details are given in the White Paper.

Economic categories

In 1986-87 some £50bn (35 per cent) of public spending will take the form of cash paymainly pensions and other social security benefits. Departmental running costs amount to £13bn (9 per cent).

other purchases of goods and services from the private sector both account for about a quarter of the planning total. The mix between these forms of spending varies greatly between different departmental

CAPITAL SPENDING Since the last White Paper,

capital spending plans for housing renovation and roads have been increased by some £200m a year.
Total general government budget will go to unemployed people and a similar proportion to families. two-thirds of it in the form of child benefit.

The planned programme provision for the later years reflects

The planned programme provision for the later years reflects

The planned programme provision for the later years reflects

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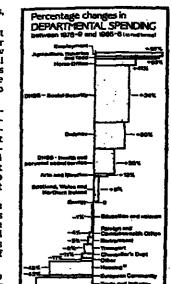
The planned programme provision for the later years reflects

The planned programme provision for the later years reflects

The planned programme provision for the later years reflects

Total general government money improvements.

The planned programme provision for the plans, at about the reserve and imposed additional provision for the later years reflects.



sector capital spending-including spending by the nationalised industries and capital grants to the private sector—is expected to be some £21bn in each year of the plans.

These figures exclude most repair and maintenance spending and do not therefore measure the total flow of work from the public sector to the construction and capital goods

CIVIL SERVICE RUNNING

The main element of running costs is the pay bill but they Local authorities' capital also cover accommodation, per-sonnel overheads and office services. The use of running costs as a control total is an innovation, which will help to improve financial management in depart-

> The new system reflects the Government's determination to exert a downward pressure on administrative costs following the reductions in manpower that have been achieved since 1979. When running-cost control is working effectively the Government will review the need for separate manpower

Total gross running costs pro-vision for 1986-87 is some £13bn, which includes the cost of additional mannower With the exception of the Ministry of Defence, limits on running costs will be set when the 1986-87 Supply Estimates are presented to Parliament.

ments in 1985-86.
After 1938-87 no provision for external finance is made for external finance is made for British Gas Corporation, British Airways, British Airports Against that target the manpower total allocated to departments is 588,000.

Within the plans extra priority has been given to staffing to support the Government's policies on employment and revenue collection, to combat drug trafficking and to reduce the queue for driving tests. Provi-sion is also made for the new

ARMED FORCES

For the armed forces manpower (including locally engaged personnel) is expected to fall from 336,300 in April 1985 to 331,600 in April 1987. The figures are based on the man-power objectives set out in the Defence White Paper "The United Kingdom Defence Programme: The Way Forward"
(Cmnd 8288), increased by subsequent commitments in the
South Atlantic and other adjust-

Improved procedures have been introduced to determine the minimum levels of service and civilian manpower needed to support the defence pro-

NATIONAL HEALTH SERVICE Between 1979 and 1983 the number of NHS employees in Great Britain rose by 66,000. But there was a fall of 11,000 between 1983 and 1984, bringing the total to about 995,000, 6 per cent above the 1979 level. The management initiatives and cost improvements planned by health authorities provide the means and incentives for them further to improve efficiency in further to improve efficiency in

LOCAL AUTHORITIES

Manpower accounts for about three-quarters of local authorities' relevant current expenditure. Local authorities reduced their staff by about 100,000 or 4 per cent between June 1979 and June 1982 but since then the total has been broadly constant, averaging some 2,260,000. Numbers in the education service have come down, as school rolls have fallen, while those employed on law and order services have increased in line with the Government's

Recent reports by the audit Commission have demonstrated the importance of better use of manpower in securing value for

m for ar

We on cr

'The Government's best hope is to hold the line'

SIX YEARS into a Government is not the time to start making bold declarations about how will average 4.5 per cent, 3.5 cut by nearly 7 per cent in real per cent and 3 per cent and 3 per cent are terms over the next three years. you are going to slash public spending, particularly if you have already failed. The best you can hope for is to hold the

That comment by a senior Treasury official after last November's Autumn Statement is vividly illustrated by the colourful charts in yesterday's Public Spending White Paper covering spending plans for the next three financial years. They show the familiar pic-

ture of steady rises in spendtargets overshot with per cent in 1988-87, the same monotonous regularity. The Government's hopes are then Within the overall totals, summarised in the flat lines however, and assuming that the

pectively in the years 1986-87 to 1988-89.

If asset sales are excluded (the Government counts them

crease of 4.6 per cent in the three years up to 1985-86. As a percentage of GDP the ture of steady rises in spend-Government is hoping that ing up to the present year, with public spending will fall to 43

as negative public spending rather than receipts) then spending is shown as rising by nearly 1 per cent in real, or inflation adjusted terms, by That compares with a real in-

Despite the battles fought by Mr Kenneth Baker, the En-

vironment Secretary, the hous-ing budget is reduced by nearly 4 per cent over the three-year period. That latter cut follows a reduction of 59 per cent in real terms since 1978-79. Spending on the Halth Service and personnel services is

expected to rise by nearly 2 per cent next year and then remain flat in 1987-88 before rising slightly again the following At the same time, charges for prescriptions, spectacles and dental care are expected to in-

crease much faster than inflanowever, and assuming that the crease much faster than inflation. In 1986-87 overall receipts the spending totals, £139,1bn in 1986-87, £143,9bn the following year and £148.7bn in 1988-89.

The spending totals, £139,1bn in 1988-89 ower substantial shifts in the way the Government interms, in the following year and £148.7bn in 1988-89 to rise by 5.5 per cent in cash terms, in the following year by the following year and £148.7bn in 1988-89 to rise by 5.5 per cent in cash terms, in the following year by the following year by

third of all departmental spend-pected at the Department of ing, shows a planned fall next Trade and Industry where cash year, heightening the squeeze on resources caused by the ageing of the population. expect an even longer wait at

benefit offices.

The Treasury says that in the interests of economic efficiency the ratio of claimants to staff has increased from 75:1 when the Government first took office to 119:1 this year. It plans a further increase to 130:1 by the end of the planning period.
Overall, however, the Government has once again found it easier to cut capital rather than current outlays. Calls from the Confederation of British Indus-try for more cash to restore the

country's decaying infrastruc-ture have fallen on deaf ears.

British Steel,

The White Paper also shows a sharp drop in the external financial limits of the nationalised industries as the effects of the coal strike wear off. The strike is estimated to have cost the Government £21bn in 1984 1985 and fibn in the current

External finance in 1986-87 is planned at £0.5bn compared with an estimated out-turn of £2.2bn in the current financial year,

Spending on education, which has fallen by 1 per cent in real took office in 1979, is expected to bear much larger cuts over the next three years. Its allocation from the public coffers is projected to be 10 per cent lower in real terms in 1988-89.

outlays are projected to fall ing over the past six years as from £2bn in the current finan-the jobless queues have the jobless queues have lengthened, has been allocated geing of the population.

cial year to £1bn by the end of lengthened, has been allocated Social security claimants can the planning period, largely an extra 6 per cent next year xpect an even longer wait at due to lower subsidies for to finance the expansion of the Government's special employment schemes.

> Prisons will also get extra cash following a rise in the number of people incarcerated from 43,600 in 1984-85 to 48,000 in the current financial year.

The Treasury has dropped any target for Civil Service pay because of the embarrassment caused by the repeated overshoots in previous years, but year instead it has set new targets of overrall departmental white running costs.

per cent increase in cash terms next year, suggesting that the Treasury is being far more realistic about pay settlements. ing, which increased by a real Wages account for about 70 30 per cent over the same per cent of all departmental period, should also ease the

EMPLOYMENT AND TRAINING

Employment, which has costs. In the following two shown the largest rise in spend-years, however, the new limits allow for increases of only about 3 per cent in cash terms.
The Treasury seems more confident that it will be able

to stick to the overall public spending targets than in past years. The overshoots in the planning totals compared to original plans have varied from £1.4bn in 1980-81 to £7.9bn in

Much of those, however, are accounted for by the cost of soaring unemployment. Social security outlays rose by 34 per cent in real terms between 1978-79 and the current financial

The premise of yesterday's White Paper is that the jobless total in Great Britain will fall The plans provide for a 5.8 slightly from the present 3.05m per cent increase in cash terms to 3m in 1986-87 and then remain stable at that level.

The curbs on defence spend-

There remain some sectors however, where the Treasury must be despairing of success. The elaborate and constantly changing system of controls imposed by the Government on local authorities still appears futile.

This year, for example, the authorities will spend around £2bn more than was envisaged a year ago. For 1986-87 the easury has optimistically provided for an increase of only 1 per cent in cash terms, and for the following two years it has simply pencilled in the same cash figure.

That implies that the conunforeseen expenditure provided for in the White Paper
— £4\forall bn in 1986-87, £6\forall bn the
following year and £8\text{bn in} 1988-88, are not quite as comfortable as they seem.

Philip Stephens

Three-year squeeze on the way

face a squeeze over the next three years, with only the three years, with only the National Health Service making marginal improvements. Personal social services run by local authorities, social security payments and child benefit are part of all in mail value in each security and if must meet have to pay for dental care, set to fall in real value in each growth and it must meet year to 1989—although political unpredictable items such as pay year to 1989—although political unpredictable items such as pay judgments may cause revision to some of these plans before then.

The White Paper commentary target have been announced target have been announced the source of t rate white Paper commentary says total spending on health and personal social services sector settlements have tended in 1988-87 should be 7.5 per cent higher than in the plans for 1985-86. But in face 1985-86 expenditure exceeded the original plans so the actual increase is 6 per cent compared with an estimate of 45 per cent for in the other hand, NHS makes the properties of the compared with an estimate of 45 per cent for in the other hand, NHS makes the properties of the compared with an estimate of 45 per cent for in the other hand, NHS makes the properties of the compared with an estimate of 45 per cent compared with an estimate of 45 per cent for in the other hand, NHS makes the properties of the compared with an estimate of the properties of the compared with an estimate of the properties of the compared with an estimate of the properties of the compared with an estimate of the properties of the compared with an estimate of the properties of the compared with an estimate of the properties of the compared with an estimate of the properties of the compared with an estimate of the properties of the properties of the properties of the compared with an estimate of the properties of the properties

The National Health Service savings and with the new total expenditure is shown general managers taking up rising from £14,15bn in the their posts with a requirement

"grey" population means that disabled and meals on wheels just to stand still the NHS in addition to the burden faced a real cut of 0.5 per cent in needs an extra 1 per cent over by councils now they are and above inflation in 1986-87, responsible for community care 0.9 per cent the following year of people discharged from is to be maintained in 1987-88 and 0.8 per cent in 1988-89, hospitals for the mentally sick and 1988-89. Within these very cutting the real growth in the These services are all subject tight figures are assumptions

stry at a very difficult time, yesterday's White Paper has

after an increase in real terms

Mr Michael Heseltine, Mr

Younger's predecessor, who resigned so dramatically over

DEFENCE

ALL OF Britain's social services three years to 1 per cent in the to the

per cent compared with an esti-mate of 4.5 per cent for in-flation.

The National Health Samina to deliver substantial rising from £14.15bn in the current year to £16.48bn in 1987-88, representing increases of 6.6 per cent in 1988-87, 4.8 per cent in 1987-88 and 4.2 per cent in 1988-89. This means real rises of 2 per cent, 1.3 per cent and 1.2 per cent respectively.

But the picture for the NHS is gloomier even than those modest real rises suggest. Demographic changes, notably the increase in the elderly or "grey" population means that the increase in the elderly or disabled and meals on wheels

have to pay for dental care, NHS spectacles and prescriptions seem set to rise by much more than the inflation rate. The White Paper shows receipts from these items expected to rise by 5.5 per cent in 1986-87, 8.3 per cent in 1987-88 and 4.9 per cent in 1988-89. Although changes in the types and numbers of people exempted from charges can vary, these figures indicate hefty real term price rises each year. Estimates of social security

expenditure have again proved to be substantially too low with the total for the current financial year now being fibn higher than estimated in last year's White Paper, mainly because unemployment failed to decline and benefits were uprated by more than the Treasury hoped. Similarly, an extra fibn has been added to 1986-87 plans with the acceptance that the current levels of unemployment are un-likely to diminish much if at

Even so, the figures represent the overall total of benefits in 1986-87 and that reduced level

three years to 1 per cent in the to the same demographic about the reform of social next financial year and just 0.4 pressures as the NHS but the security which will be impleper cent in the two years after plans show a small real cut mented in 1988-89 but whose principles of directing help more accurately to low income families with children will govern decisions before then, principally militating against universal benefits such as child

benefit. The figures confirm that while the Treasury has not succeeded in having child benefit frozen at £7 a week for each child for the rest of the decade, the argument is going strongly its way in Cabinet.

For both 1986-87 and 1987-88 the figures show plans to raise child benefit by much below the assumed rate of inflation. For 1986-87 it is planned to rise by just 1 per cent to £7.07. As child benefit is always rounded in 5p steps, this means either £7.05 or £7.10. In 1977-78 calculations show child benefit rising by less than 3 per cent to either £7.25 or £7.30 whereas to keep pace with inflation assumptions it would need to be £7.55 or £7.60. Child benefit is a universal benefit paid to all children and the child popula-tion is projected to fall from 12.2m now to 11.9m in 1987-88. The cost of child benefit is

planned to rise from £4.4bn a year now to £4.5bn in 1987-88, around £200m less than the cost would be if the current payment

Robin Pauley

The state industries remain dependent

THE GOVERNMENT'S long-standing ambition of ending the dependence of national-ised industries on external finance remains as far away as ever, still being hopefully pencilled in for the last year in the three-year planning

As long ago as February 1984 the Government said it hoped that by 1986-87 the external financing limits (EFLs), which were as high as £3.5bn a year in 1981, would be down to a mere

In spite of the removal of a number of industries from the public sector, improved performance and efficiency in others and demands for ever larger contributions to the Government's coffers from the profitable industries the target of overall break-even has remained tantalisingly out-of-reach. In February 1985 the White Paper accepted that total net external financing limits for 1985-86 would be £1.3bn and that in 1986-87 the Government would still be paying out around £178m. But it hoped that by 1987-88 a net repayment to the Government of around £110m might be

The new White Paper again moves the hopes a year further on. The estimated outturn of external financing limits for 1925-26 has risen to £2.2bn and the assumption now is that external finance amounting to £529m in 1986-87 and £67m in 1987-88 will still be needed but that a small net repayment £27m is the goal for 1988-89. The 1986-87 figure assumes that although both British Airways and British Gas are destined for privatisation during the year they will still make net repayments totalling £400m before they go; without this calculation 1986-87 EFLs would total

The nationalised industries' capital requirements are expected to remain broadly constant over the three years but the Government hopes that further cost and efficiency improvements will result in more funds being generated internally rather than externally through Government loans and borrowing from the UK and overseas money

The 1985-86 outturn is worse than planned because, according to the White Paper, "it is currently estimated that the knock-on effects of the miners' strike are adversely affecting the coal and electricity supply industry 1985-86 estimated outturns by around £1bn."

The external financing himits for 1986-87 show the now familiar pattern: enormous demands on public funds from the coal and rail industries largely offset by a requirement for the electricity industry in England and Wales to make a very large surplus and contribute £1.4bm to the Government.

It had been hoped that electricity would contribute more than £1.1bm in the current year and gas a further £352m but the revised figures estimate electricity's contribution at only £400m and gas only £176m, the latter because of increases in gas costs caused by exchange rate fluctuations.

British Rail needed an EFL of £901m in the current year but the hope is that this will fail to £771m in 1986-87. The National Coal Board has an EFL of £730m in 1986-87, roughly the same as the esti-mated need of £740m for the current financial year. A recent addition to the

list of nationalised industries, London Regional Transport, is third behind rail and coal in its need for external finance. Its EFL is set at £304m for 1986-87 compared with an estimated outturn of £323m in the current year.

Robin Pauley

Expansion plans checked PLANS TO expand training stitution of the commission-to on the Job Release Scheme, and decide. Not all are likely to proposals to end the state conbe happy to drop long-discussed

provision on the Community Programme for the long-term unemployed are likely to prove a casualty of financial constraints on the Manpower Services Commission. Yesterday's White Paper

shows that the MSC's expendi-ture is planned to rise from an estimated outturn of £1.578bn in 1985-86 to £1.820bn in 1986-87. Further increases are planned, to £2bn in 1987-88 and

additional £27m to spend next year, and commissioners will have to consider at their monthly meeting next week which areas of proposed expenditure should be con-Proposals to build a training

while projects, is a likely area for making savings.

It will, however, be for the MSC's nine part-time com-missioners—a number of whom contributes to the increased pro-wision, will be attending their first

plans to improve the future employment prospects of long-term unemployed people by munity Programme. The number of places on the

Community Programme is currently being expanded to and Safety Commission and 230,000 by June — compared Acas as well as the MSC and with 130,000 in the middle of the Department itself. last year — and the cost of Most expenditure is under-The Commission had, however, been hoping to have an

Plans to extend the Youth Training Scheme from one to element into the Community Programme, which provides the adult long-term unemployed with work on socially-worthtwo years also begin to come into effect this year. This, and the proposed expansion of the Enterprise Allowance Scheme

Savings will be made from meeting following the recon- lower than expected spending

tribution to many redundancy payments later this year. This balances out at total

estimated expenditure £3.332bn for the Department of Employment group in 1986-87. The group covers the Health

last year — and the cost of this helps to contribute to an increase of £415m in the Department of Employment group's total spending provision between 1985-86 and 1986-87. It is also likely that further enlargement of the programme will be announced in the Department itself and the MSC, with more than half the commission's total resources now devoted to the YTS and the Technical and Vocational Education initiative, which is aimed at improving technical provision for 14-18 year-olds. Most expenditure is under-taken by the Department itself

The Department has recently assumed responsibility for tourism, which the Government regards as an important growth area in the economy. An extra £6m is being made available encourage more foreign visitors

Alan Pike

TRADE AND INDUSTRY

Support for businesses to fall

IMPLEMENTATION of the efforts to combat fraud, turer. This provision was made of Trade and Industry in industrial support, and forecast position of the nationalised for a big fall in provision for the department's spending in 1988/89. It will be £1.03bn against an estimated outturn of £1.96bn in the current financial

Within the overall reduction, provision for increases are made (Section 7 grants) from £89m ance to individual industries to £64m. Increases are also provided for some activities relating to the regulation of trade Westland Helicopters and and industry, including extra Augusta, the Italian manufac-

announced last week. The total provision for this sector is £40m over the Westland rescue. by 1987/88, compared with £22m in the current year. Substantial changes in the support for certain industries

is planned, particularly aero-space which will fall from fillm to flom, reflecting receipts now coming from previous programmes and previous shared contracts. Support for steel will drop from £17m to in selective assistance areas £8m, and for shipbuilding from to £97m, and in selective assist- £49m to £26m. This includes ing that to British Aerospace (Section 8 grants) from £39m for its participation in the Air-to £64m, Increases are also prohelicopter joint venture between Westland Helicopters and

Cchanges in the allocation of

regional development grants from the old to the new schemes means there will be a fall in the provision from £208m to the period of overlap between

Spendin gon the nationalised industries will fall dramatically from £706m in the current year of \$40m at the end o fthe period. ture by the British Steel Corporation being brought forward, in particular, and and other industries.

Hazel Duffy

EDUCATION

Teaching resources to shrink

THE WHITE PAPER dashes authorities are scheduled to re- increase slightly. any hope in state educational ceive £10.8bn in the 12 months institutions that the Govern from April for their recurrent ment might have become more spending, which is about £210m generous to them since it out or about 5.8 per cent more than lined its spending plans in they were allowed by last November. Yesterday's docu-ment reinforces the message Paper. But the increase is stil that the education service will have to make do with diminish-

Slightly more than £14.3bn is earmarked for allocation through the Department of Education and Science in the 1986-87 financial year. Of that the bulk is for spending by the local edication authorities directly responsible for schools, colleges and polytechnics in England and Wales. Expenditure on similar non-universities

in Scotland and Northern Ire-land is budgeted separately.

about £500m short of the amount the authorities have said they needed for their current spending on education. The universities are to have

to expect similar reductions in increased funds. The English and Welsh numbers are scheduled to

The news is rather better for certain "selected" universities, which have still to be officially nominated. They are to share £10m instead of the £7m earmarked a year ago for the upgrading of research equipment in 1986-87.

Science spending through the Research Councils has also been increased by £15m to a total of about £615m in 1986-87 again a total of £1.41bn for recurrent £580m in the present year. But spending in the year from although the extra money April. compared with an estimated £1.38bn in 1985-86. But highest ever figure, it will still highest ever figure, it will still mated £1.380n in 1985-86. But highest ever figure, it will still in real terms the universities' be considered damagingly allocation represents a decline of about 1.6 per cent in their funding, and they are evidently formed this week to lobby for

Michael Dixon

OVERSEAS AID

New soft loan facility for exporters BRITAIN'S overseas aid should payments, rising further by 3.6 1985, the grants available under stay slightly ahead of inflation per cent and 3.3 per cent re- the ATP have been supple-

next year, with net spending planned to increase by 4.8 per cent, from £1,133m in 1985-86 to £1.187m in 1986-87. In addicapital repayments amounting to £72m from past aid loans will be available for not exceeded. new expenditure by the Over-1986-87 is fixed at £1,259m.

The Aid and Trade Provision, seas Development Administra- (ATP), which is a category of tion. Thus, the ODA's total aid designed to support British ceiling for aid spending in exporters facing competition grants and loans. The total ATP from export credit subsidies by The planning totals for the other industrialised countries, is £69m. following two years project new should continue to rise in the overseas aid, net of capital re- year ahead. From November

should continue to keep facility, at a cost rising from Britain's aid expenditure f3m next year to £10m and approximately constant in real £20m respectively in the terms, provided the Government's inflation assumption are The Government's objective is to double by 1988-89 the amount of British business supported annually by ATP

spectively. These increases mented by a new soft loan

allocation proposed for 1986-87 Anatole Kaletsky

Pressure on costs

A PROVISION of £13.3bn total published targets. The latter THE White Paper shows that These levels will be recongross running costs has been will thus remain in effect at for the first time no decision sidered in the public expenditure for the Civil Service in least until April 1, 198. gross running costs has been made for the Civil Service in 1986-87, compared with an esti-1986-87, compared with an esti-mated outturn of £12.6bn in the mated outturn of £12.6bn in the current financial year.

Section 1986-87, and other factors."

The fact that procurrent financial year.

CIVIL SERVICE

Service allows for pressure to be put on administrative costs low the 1979 figure. as well as exercising control
Limits on running costs will the Government will have
through manpower reduction be set in the 1986/87 Supply greater flexibility in deciding targets.

The White Paper points out
that central government runthat central government runthat central government runingregating
the paper points out
stry of Defence. Defence takes
the paper points out
stry of Defence takes
the paper in negotiations
with local authorities.
In particular, ministers have

running costs in each departs the need for mangement initia- necessary. Manpower accounts for about planned by health authorities. under closer control.

70 per cent of civil service costs, which in total represent provision has been made for that three-year estimates have about 15 per cent of public extra staff to implement governing invariably proved wide of the

to be working effectively be-fore reviewing overall man-power controls relating to

least until April 1, 198. Civil servant numbers have ment on the provision for local This new system of con-olling the costs of the Civil with a terget of 590,00 by April have always been produced for

Estimates, except for the Minithat central government running costs have been increasing in recent years faster than the rate of inflation. The new system, which it is intended will gradually replace manpower targets, will highlight running costs in each department and aim to bring them.

39 per cent of the 1986/87 running costs provision, by far the largest, followed by Health and social security with 13 per cent social security with 13 per cent to tied themselves to specific figures in what will probably be a general election year. This will make it easier to give a boost to local authorities.

In particular, ministers have not tied themselves to specific figures in what will probably be a general election year. This will make it easier to give a boost to local authority spending if this is thought necessary.

Within the manpower target, scrumsing their running costs ting drug trafficking, and reduction the past six years but the drug trafficking period for the past six years but the drug trafficking period for the waiting period for the waiting period for the new Crown Prosecution be working effectively because of the new Crown Prosecution Service.

Hazel Duffy years.

IF CONFIRMATION were and that, despite the decline needed that Mr George Younger ahead, very large sums are is taking over the Defence Ministry at a very difficult time, still being spent.

Are Younger has been in seems certain he will try to office for less than a week, but avoid outright cancellation of stry at a very difficult time, Figures for the next three office for less than a week, but avoid outright cancellation of yesterday's White Paper has persymmetric first published in he seems certain to want to key weapons systems and the provided it. Defence spending, November. The budgets, which after an increase in weal terms.

Funds for armed forces to be reduced

contractors

bligations pay increases which are Defence Ministry officials awarded annually to the armed

include diminishing sums for of at least 20 per cent since the defence of the Falklands, the Tories took office in 1979, are £18.5bn for 1986.87. £18.8bn yesterday show this decrease will be about 7 per cent in real terms between the current financial year and 1988-89.

Mr. Wicharl Harriston 1988-89.

100, 1501-85 and £18.9bn for nearly defence in 1988-89. Falklands spending defence defence in 1984-85 to £442m, £292m and policies £192m in the them. is to decline. Figures published for 1987-88 and £18.9bn for

On the Treasury's current resigned so dramatically over other issues last week, had set his face firmly against a defence review and Mr Younger seems certain to do the same in the maximum of the 2½ years left to him before the next election. However, he will face a number of distinctly unpleasant choices as he tries to match the demands of Britain's armed services and their widespread obligations estimates of annual inflation of

now busy briefing the new Defence Secretary, rightly point out that defence has done very well over the last seven years which are vital for example in

defence budget, by continuing his predecessor's tougher policies towards defence

Ministry of Defence through Ministry of Defence through direct competition increased from 14 per cent of total contracts in 1979-80 to 27 per cent in 1984-85. Adding other contracts which were "placed by reference to market forces," tion. He must decide soon the total of contracts placed competitively increased from \$30 per cent to 46 per cent over those years. MoD officials hope less year's figure will prove to aircraft up to a standard accept-

of trying to get better value for moratorium on payments to money out of the defence pro-defence contractors applied in curement budget, which is the disruptive run nearly 50 per cent of the total 1981 defence review. None of this will be easy, as tougher key projects like Trident, with its high dollar costs, come to a According to the White Paper, contracts placed by the European Fighter aircraft

defence review, there will have

The other likely factor in

the decision is the Govern-

ment's frustration at finding

last year's figure will prove to aircraft up to a standard accept-be nearer 60 per cent. able to the RAF or abandon However, Mr Younger will be the aircraft in favour of buying faced with the same dilemma as new early warning aircraft Mr Heseltine: if there is no from the US.

to be cuts or delays in the start

.. Bridget Bloom LOCAL AUTHORITIES Councils kept waiting

spending in England and Scot-

ment has applied. Great Britain have budgeted to exceed relevant current provision by about £1.1bn, roughly There is a capital expendi-

plies provision for gross spend-

Richard Evans

the light of local authorities' factors." The fact that pro-vision for later years may need to be increased has been taken three-year period. into account in The change of policy means of the reserve. into account in setting the level Local authorities' current

ahead of published plans despite rate limitation and the with local authorities.

In particular, ministers have grant pressures the Govern-In 1985-86 local authorities in

> ing of £5.9bn when forecast receipts of £2.2bn mainly from the sale of council houses, are

ture provision of £3.7bn for Britain in 1986-87 but this im-

Feona McEwan reports on the progress of a campaign to revive the fortunes of British products

es, more and more British consumers are seduced into buying suappily designed electronic gadgets from Japan, stylish and super-efficient cars from West Germany, and a host of other top-quality imported

Yet much of British industry continues to suffer from a debilitating blindspot shout the competitive edge which can be gained from most design.

Encouraging more invest-ment in design, as part of the development and marketing of competitively - priced products, has been the clarion call of the government-backed Design Council for years. But it has proved a hard nut to crack. Since 1982, when the Prime Minister herself began to bang the drum, the

Pyrex hots up the pace

PYREX GLASSWARE has been a household name among British consumers since the 1920s. But as its markets have become more fashion-conscious, its products have increasingly lagged behind more designorientated competitors. When Corning, the American-

owned company behind the brand, decided to renew the entire Pyrex UK range in 1982, and commissioned a special market survey, it discovered the worst: the Pyrex image was seen as outdated and arrelevant to modern needs. "Design had previously been done mainly in-house, often without much reference to the needs of the market," admits David Dowson, Corning UK's marketing and sales director. "Engineering disciplines are required in designing glass moulds, and many products looked as if they had been designed by an engineer. Attention tion was paid to internal con-siderations—like being good to tile range along classical, yet make — but not to externals, modern lines, in place of the such as being good to disparate, functional pedestrian look at, easy to handle, and so shapes of old. For instance, a

to employ Conran Associates and servers.

Designed to recoup lost ground

Fifteen working days of specialist design consultancy are offered, with no charge to make use of Britain's wealth of design consultancies, many of which still complain that lack of domestic demand for their for the first two days. Thereafter the company pays a quarter of the cost, with the work forces them to earn most of their keep from the balance paid by the DTL In effect, this means about £3,500 worth of consultancy UK's rivals abroad. UR's rivals abroad.

The Support for Design scheme, which the Design Council operates with funding from the Department of Trade and Industry, is aimed at persuading unconvinced small- and medium-trad expressions. is available.

So far, 4,000 projects have been undertaken, 60 per cent of them for companies which have never before used have never before used design consultants. Over 2,000 projects have been completed. The design input has covered all manner of product design, from fashion items to hydrostatic bearings, pocket diaries to amplifiers.

ing more heavily on television. There wasn't much innovation before . . . " says Dowson.

Shifting the old Pyrex image

are beginning to be aware that



First, the volume selling items ing fortunes. "There's no were identified and some 15 doubt," says David Simpson, new products commissioned. Pyrex brand manager, "that Plastic models were tested in the combination of good engin-discussion groups of house eering design and creativity discussion groups of house-eering design and creativity wives, and then the Good have contributed significantly Housekeeping Institute vetted to the company's rejuvenation." them for ergonomic accuracy Other factors, like advertising (measures and capacities).

Other factors, like advertising and repackaging, must also take

sized companies that design does indeed pay, by swelling sales and boosting profits. Originally open to companies with between 30 and 1,000

employees, it now stipulates "up to 500," which means

that start-up companies can

The result was the Classics and repackaging, must also cake a bow. range of co-ordinated glass bakeware, launched in 1984, which is a cohesive and versa-proud of, we will be advertismixing bowl now becomes a will be a long-term problem.

Corning had already decided salad bowl by adding a stand though Dawson reckons people

before it sought the Design Council's help. "What the scheme did was enable us to afford very much more," says Dowson.

Together, they worked to combine factory practicalities with that all-important missing ingredient, consumer appeal.

and servers.

Consumers have proceeded to vote with their purses. Volume sales of Pyrex bakeware rose to sales of Pyrex bakeware rose to continues. "Government scheme or not," says Dowson, "where our people felt before that they couldn't afford the per cent in 1981 to 10 per cent that they couldn't afford the per cent in 1981 to 10 per cent that company pays ingredient, consumer appeal.

the first time, embracing interior design, corporate identity, promotional literature and packaging.

The fruits of the scheme can be seen at an exhibition which opened yesterday at the Design Centre in London featuring many of the products which have benefited. The stories of two of them are outlined below.

Not all industries are using the scheme as much as they might. Fashion and heavy engineering are notable by their absence, says John Benson of the Design Council Starting with the clothing industry, the Council is mailing those companies that have sheen most resistance to offers of support.

On Japan's wavelength

SELLING RADIOS to the Japanese is like sending bulbs to the Netherlands or watches to the Swiss. They have to be really outstanding to have much of a chance in the market place.

One doughty small British company, Ross Electronics, which has already carved enough of a name for itself in the headphones business to tempt the Japanese to buy British, is now attempting to do the same thing with radios. It thus becomes one of only two UK companies making two UK companies making radios locally. The other—

trade. Between last October's launch and Christmas an encouraging 20,000 of the softly-rounded products had been sold into retailers' distribution networks. Consumer reaction is still awaited, but the company is already expecting to ship up to 100,000 this year to the UK

Though exports have not yet

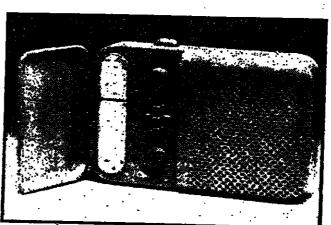
of the scheme? On the evidence so far, according to companies continue to use the designer beyond the statutory 15 days. Only seven per cent have rated the scheme of no or little value. A random sample of 41 companies, surveyed two years after they had used the scheme, showed 12 to have products already in manufacture and 13 scheduled for

next year. For the design industry itself the scheme has obviously been good news. Many small consultancies have benefited, along with the leading industrial angiverning design from Form leading industrial and engineering design firms. For

them "it's not unusual for six or seven assignments to result from it in a year," says Michael Sadler-Forster, direc-tor of the Society of Indus-trial Artists and Designers. "But the acid test is how long term such relationships prove to be—and that has yet to be seen in quantity terms.
The number which don't proceed after the initial 15 days is alarmingly high, though to some extent this is the responsibility of the consult-ants."

It has not yet been decided how long the scheme will last, but a budget of £7.5m has already been approved for 1986-87, following expenditure of £6m in the current financial year. Before that government funding totalled £3m over three years.

Profit by Design exhibition: runs until February 23 & the: Design Centre, 28 Haymarket, London SW1 4SU.



radios locally. The other—
Roberts — is the sole survivor from the once massed ranks of famous companies such as Bush, Murphy, Ecko and HMV.

Ross used the design con
Marks, the managing director of the London-based company, set out to buy some radios as presents. "I found them all very unattractive and bulky."

Which set him thinking "I felt Thompson of Brand Nam Dec.

famous companies such as Bush.
Murphy, Ecko and HMV.
Ross used the design consultancy scheme to strike a blow for product innovation. The imaginative and stylish design of its competitively priced radio (£29.95) has won priced radio (£29.95) has won the industrial designers, having specific terms of the industrial designers, having specific terms of the industrial designers, having specific terms of the industrial designers, having specific to designer Graham:

The brief to designer Graham:
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Though exports have not yet begun, one possible Japanese customer has already indicated interest in taking at least funded scheme helped Marks to 10,000 radios a year.

The company's move into that the could raise the necestrations came about when Ross radios came about when Ross ary extra finance. The cost of the controls:

design-led,

door which hides the controls: in 1980 to 63 per cent last wistble know should be the only visible know sh

British lifestyles

The quirky customer

David Churchill examines a spending puzzle

machines.

This reversal of years of decline for the cinema trade, allied to one or two other straws in the wind, is causing some concern to Britain's markets at the beginning of alternative to eating at home.

Seending on exting out has Spending on exting out has Spending on exting out has Spending on exting out has some concern to Britain's markets now doing over a third of their business from drink alone. 1986. Has the firm trend of the 1980s towards more home-centred activity, expenditure, and entertainment come to a premature end?

The answer is crucial to the marketing plans of consumer goods manufacturers, High Street retailers, and most companies in Britain's blossoming leisure industries. Strategies that have been developed on the basis of consumers spend-ing more time and money at home suddenly do not look so

"There is no doubt that the trend towards home-orientated activities that we've seen since 1980 was not so strong last year," says David Darton of the Henley Centre for Forecasting, which has just published its latest forecasts of Leisure

The "straws in the wind" that are also beginning to worry marketing executives include the buoyancy of foreign holidays in 1985 and the increased

Yet it would take a braveor foolish—marketeer to clutch too firmly at such straws. The home-centred trend of the early 1980s looks too well entrenched to be dislodged that easily.
The impetus for "Fortress Britain," as it has been dubbed by some pundits, has come from headphone design) was a tight two directions: the onset of the one. A radio that did not look prolonged economic recession what they wanted."

Marks needed no spur to use industrial designers, having regarded design as an intrinsic element in his marketing mix since the company's inception in 1972. 'I tak'e the view that a good product is as cheap to design as a bad one, it seems more expensive maybe at the consumer research showed:

one. A radio that did not look like a traditional Far East design; one that would suit any room in the house and that going out for even a modest level of entertainment; and one that would appeal to rise steadily, bolstered by the rise in council-house owner-ship. Owner-occupation, according to a new report on the a good product is as cheap to design as a bad one, it seems more expensive maybe at the time, but at the end of the day it comes to the same thing."

And certainly the new radio is design-led,

And certainly the head won the bad won t

A FUNNY thing happened to the British way of life last beer sales have fallen and year: more people went out to the cinema instead of staying in to watch films on their video machines.

A FUNNY thing happened to plunged further into gloom as the fewer people have preferred to time, take-home sales of salcohol have bouned, with many super-

alone.

As with drinking, eating out has failed to provide a real alternative to eating at home. Spending on eating out has only risen from 2.29 per cent of all consumer spending in 1975 to 2.34 per cent last year. The main growth sectors have been low-budget take-aways and fast-food. Yet home-centred activity has

not simply been a response to the recession and poor economic circumstances. shows the trend towards the home has been spearheaded by the ABCI socio-economic classes broadly professional and managerial—who have most disposable income. It seems that many people in these groups actually prefer to live a homecentred life.

Hence the sales boom during the past few years of non-essential appliances such as microwave cookers, coffee-makers, and deep-fat fryers. The home has also become an entertainment centre in its own right, with many homes owning two or more televisions and a video cassette recorder, not to popularity of out-of-home activities such as visiting theme parks and watching sports (apart from soccer).

Speak of all their up-market stereo equipment. New technology in the shape of compactivities players and home computations. speak of all their up-market disc players and home compu-ters, is also making the home a more entertaining place to be. Many other trends also reflect the popularity of the home—such as the strength of do-it-

yourself activities, and gardening for leisure.

Most observers of consumer trends agree that there seems little reason for the long-term trend towards home-centred activity to go into reverse. Henley, for example, forecasts that the near-37 per cent share of 1984's leisure spending (totaling £47.5bn) which went on home-retaled activities will increase to nearly 39 per cent by the end of the decade. But the apparent slow-down in the current trend may remind

marketeers that consumers can be a fickle bunch. * Leisure Futures, published by the Henley Centre for Fore-casting, 2-4 Tudor Street, Lon-don EC4, price £625 a year. † British Lifestyle, published by Mintel, 7 Arundel Street,

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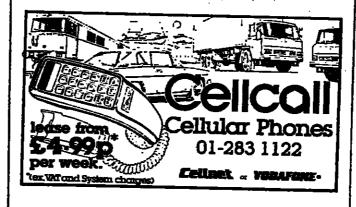
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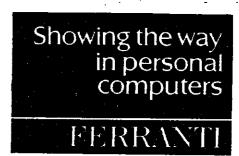
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THE JAPAN ECONOMIC JOURNAL Nihon Keizai Shimbun, Inc.

Exhibitions/Patricia Morison Tourist perspectives



"The Arch of Constantine" by Ducros

Fashionable travellers on the 18th-century Grand Tour did so at considerable cost to their pockets, patience and health, st they joited home with portfolios of picturesque ruins in sublime landscapes which would efface memories of drunken customsmen and flea-ridden inns. Louis Ducros, a shrewd and busy Swiss artist who painted bumper-size, brilliantly coloured watercolours, was high on the list of any visitor to Rome and Naples be-tween 1777 and 1807. Images of the Grand Tour,

first reviewed by Roy Strong in these columns last October, has come to the Whitworth Art Gallery, Manchester (until February 22), from Kenwood House. A joint Anglo-Swiss exhibition, it argues interestingly the case for Louis Ducros as an important figure in the history of landscape painting. Many of the exhibits come from the Museum of Lausanne, Ducros's home town where for the last 30 years a campaign has been slowly maturing to lift him out of obscurity.

Ducros is not to everyone's taste—there are too many pains-takingly executed bricks in the Arch of Titus and too much aqueous blue in the distant prospects; moreover, although it was common at the time for assistants to put in the figures there are some especially weak and fatuous ones in Ducros's work. But contemporaries liked it; no less a person than Catherine the Great ordered a his hand-coloured

etchings. Island, He was recognised as a dab French.

Hoare, owner of Stourhead, who rhapsodised over Ducros's dramatic scenes of the Falls of Tivoli where the antiquarian visitor could "breath the same air as Sallust, Horace and Propertius." Stupendous and slightly vulgar, Ducros's water-falls were to have an influence on an illustrious young contemporary. Turner was patronised by Colt Hoare and evidently encouraged by the Swiss artist's taste for the dramatic to look himself for grand effects in the once humble medium of water-

Ironically, one of the reasons for Ducros's long neglect was his technique for adding depth and brilliance to watercolour. He used sheets of paper stuck together and mounted on canvas to get the large format on which he laid a mixture of oils, gouache, watercolour and lots of varnishes. The result is a conservator's nightmare, with large areas of rubbed and darkened surface. A feature of the catalogue is an essay on the techniques used at Lausanne to clean up Ducros, an ex-tremely laborious and costly

With his techniques for turning out souvenirs at a tremendous pace Ducros should have ended up rich. Unfortunately, jealous local artists and the French Revolution drove him from Rome and Naples. Wisely he decided to catch on to the rampant British lion, for in 1800 a British general took him to Malta to record views of the island, newly won from the

cascades at Terni and Tivoli, hibition, particularly as the Fowler,

Typical was Sir Richard Colt parts of Valetta which Ducros recorded, like the fish-market and the Porte Royale, were destroyed in the last war. There is an impressive sweep in the

views of the massive battle-ments, stormy skies lighting up the houses, half-Venetian and half-Moorish, and some charming unfinished sketches which show a delicate side to Monsieur Ducros.

Also at Manchester is a

highly entertaining exhibition of 19th century wallpapers, A Decorative Art, which has been extended until February 15. Its strength, like that of the William Morris exhibition last year, is in relating Victorian art to its social background.

It traces the steps by which scenic wallpaper changed from being a French luxury product. showing Cupid and Psyche and magnificent panoramic landscapes by Ducros's contemporaries, to being a thriving British industry which filled every home with a cornucopia of pattern. Battles were fought between the tasteful and the vulgar, as cabbage-roses suc-ceeded to Cupids, Gothic pinnacles to Art Nouveau lilies

and arabesques. Photographs and pattern-books recall the 1880s drawingroom, a jungle of motifs from the patterned carpet, up past the anaglypta dado, the in-filling the frieze, to the pat-terned paper on the ceiling. One of the pleasures of the

exhibition lies in tracing pat-terns which have recently found favour again, not least with the exhibition's sponsors hand at waterfalls, with collectors avid for his views of the and effective works in the ex- & Spencer, and Colefax and

Janet Smith/The Place

Clement Crisp

Ous regretting to Facing the

issue which was avoided. The

"Accessibility" appears to nonsensical from start to finish, other bodies; one girl in the ethe key to the work of Janet the evening proposed popular company has cornered the and jazzy music as a basis for market in vivacity; one chap be the key to the work of Janet
Smith and her small company.
The introduction to the new enfeebled adaptations of The introduction to the programme booklet claims that the troupe has this reputation, but it seems, if Tuesday night's bill was anything to go by, that it music and dancing, but in the amounts to dancing down to its event this last was exactly the audience. If the ensemble aims to play pabulum to a mindless music was disregarded or given crowd, and thus make an art gratuitous dramatic twists accessible," then I would urge a rethinking of artistic strategy. Good dance need not be difficult. The hermetic and the recherché. the angry gestures and the minimalist activities that are so fashionable with our post-modernists, are not to be countered by the sort of thin and repetitious material which of a short London season. With the exception of Gill

In The Millionaire, an old American television drama, a

stranger gave away a million

dollars so the audience could watch the reaction of the grate-

A similar drama is unfolding

in Montgomery, Alabama, where Winton "Red" Blount, head of a world-wide billion-

dollar construction company, has endowed the Alabama

Shakespeare Festival with the newest, grandest, and perhaps best, theatre in America.

With actors hired in New

with actors fired in New York, the group is not exactly an amateur thespian club. Still, the 11-year-old company used to have a 10-week season in a rural Alabama high-school auditorium.

A Midsummer Night's Dream

was chosen as the première production which left the

endearing but unfortunate impression that director Martin

L. Platt was rather over-

ful and needy recipient.

Janet Smith's Face the Music was exceptionally tiresome about New York life at the time of the Wall Street Crash — and the dance was dangerously the same.

Whether in Dan Wagoner's
Fice as a Bird (dance hall quaintnesses), or Miss Smith's Near and from Far (happy and was on view at this beginning sad duets to music entitled "Donkey Droppings" and "Cooking Oil"), the movement Clarke's Chaconne, which had a routine air. Partners looked like mimed Shakespeare were changed; girls slumped to as Group Therapy and was the floor; bodies swung over

Alabama Shakespeare Festival

Frank Lipsius

The forest scenes gave an opportunity to try out all the new mechanical objects: Bottom rose on a mechanical lift in the

smoke machine bellowed out at

the audience. In emulation of the shifts in period of the British repertory companies, Platt opened the play in an Edwardian setting but reverted

to Faerie Queen land for the forest scenes — billowy gowns and headband crowns an ethereal version of a cheer-

leader's party. The two settings were linked by a classical statue in Michael Stauffer's (set design) and Michael Orris

Watson's (lighting) Edwardian

world: the result merely illustrated the talents of the

emoted to an old shoe. popular and jazzy dance. Well-But more serious than same-

loved songs were sung and played, attractively, from Miss ness and cliches and the desperately ingratiating air to the that these amiabilities are in some way an encouragement to the public to watch dancing. Missionary work need not necessarily mean offering cheap trinkets and beads to the natives; serious and well-made choreography, dance as dance rather than as a joke and a snatch of tinsel tragedy, might even persuade people that there is more to it than mal-treated gems from Irving

Berlin I liked very much Pam Knight's evocative New backdrop for Face the Music; the costuming elsewhere was dispiriting. The musical per-formances under Nicholas Kok's direction were pleasing.

Simon Boccanegra/Covent Garden

Max Loppert



Renato Bruson and Kiri te Kanawa

whelmed by his new facility. seat Octagon which has a thrust stage a third of the size of the proscenium Festival. Robert Browning's soft good looks and relaxed Southern manner are transformed into Boccanegra (revival with Otello cast, conductor Edward Downes) when Placido Domingo's activities on behalf relaxed solutions mainer are appropriate for a young Ten-nessee Williams explaining the sad dilemma of the Wingfield family, while Joan Ulmer as

Domingo's activities on behalf of Mexico interfered with the Otello rehearsal schedule. Thereafter, Mr Domingo was removed from the company altogether by a double heruia operation, and what was presented on Tuesday was a largely un-glittery Verdi "house show." With the exception of the replacement tenor, Giorgio Merighi (not heard here for at least a decade), the same principals had given a Covent Garden Boccanegra under Mr Downes not long ago; larger disappointments were mollified his mother Amanda embodies good breeding in reduced cir-cumstances. She has the right combination of pathetic eagerness to interest Brian Martin, as the gentleman caller, in her diffident and pouting daughter Laura (Patricia Boyette). Now the company faces the challenge of growing into its new home. Red Blount gave an extraordinary gift but he demanded that others provide the operating funds. Martin disappointments were mollified by the security and sense of purpose that were evident in the execution of all these roles.

costume shop.

Platt needs to invite world-class
The quality of the company's directors if the Alabama
acting is apparent in Russell Shakespeare Festival is to
Treyz's production of The Glass become an internationallyMenogerie in the smaller 225- recognised Shakespeare centre. Other disappointments were mollified as well. This most unshowy and "interior" of the great Verdi operas may not respond ideally well to the working conditions of big international opera company performance (on Glyndebourne's mance (on Glyndebourne's forthcoming festival collaboration between Haitink and Hall many hopes are pinned). And the dim sets, out-of-a-trunk costumes, and wretched lighting by which the 1980 Filippo Sanjust production is now repre-sented at Covent Garden must limit the possibility of the tutt'insieme — the collaboration of fine-honed theatrical intelligences - which Verdi desired for the staging of all his operas. But there were a distinguished conductor in the pit, and a couple of commanding Verdi performers on stage. With their urging, much of what this wonderful work is about came

> Boccanegra here since Tito Gobbi to whom the epithet longest.

As was widely publicised, the "noble" is justly applied. He has Royal Opera's long-awaited his limitations—a lack of sheer vocal grandeur to dominate the conductor Carlos Kleiber) was Council Chamber Scene, a lack of that indelible impress of colour on words that makes Gobbi's Doge live in the mind years after the experience of it. On Tuesday the death throes of the finale were just a little too graphic graphic.

But he lives the role from inside. He has the gift of conveying loneliness, the misère des rois, without which the convulated plot becomes of reduced interest; in the taut line and supple shape of his singing one senses a lean, mature, melancholy intelligence at work Art 2 which follows. at work. Act 2 which, following on the great ensemble scene, can seem dull and protracted, was illuminated by these qualities; and in the final meeting with Robert Lloyd's superb Fiesco—his best Verdi role—both players were caught up in the deep seriousness of their performances, and shed a sombre glow on the whole

Kiri te Kanawa's Maria-Amelia has no longer that special innocent radiance that graced her earliest London appearances in this opera (and on Tuesday night the voice sounded often a little foggy or faint in its lower reaches), yet she left more than a trace of her exquisite, unforced best - in. for instance, the long-held trill that calmed the opera's central ensemble to rest. Merighi's Adorno looked better than he mostly sounded — a disappointobstacle. Jonathan Summers' familiar Paolo was sometimes powerful, sometimes merely melodramatic. With Mr Downes control of the long Verdi line and his particular in evidence, the good things Renato Bruson is the first about this revival are what one

remember

house.

Robert Browning in "The Glass Menagerie"

Rumour has it that two com-

plete cycles of the symphonies

that plotiquely ambitious choral

work, the Missa Solemnis.

Claude Helffer/Wigmore Hall

Andrew Clements

To begin a recital with verted, dynamics consistently generated a kind of sonorous Brahm's F minor Piano Sonata strident, tempi either pedantice effect, though rubato at the ally slow or uncontrollably fast. climax was stubbornly inexpresis a bold, combative gesture, implying a cast-iron technique. The opening plunges the pianist right into the thick of things with fistfuls of notes that cold fingers can so easily mis-place. Claude Helffer began place. Claude Helffer began thus at the Wigmore Hall on Tuesday night and unhappily proved his misplaced zeal within moments; chording that was often woefully inaccurate of this work seemed even less acceptable when projected by such a harsh,

Often it seemed as if Mr Helffer sive; "La sérénade interrom-found Brahams instrinsically pue," "Danse de Puck" and dull, and felt he had to try his "Minstrels" lacked any vestige hardest to liven things up. of humour or textural light and the sonata incomprehensia. the sonata incomprehensible, becoming becalmed in the scherzo's trio section and losing all sense of direction in the finale. I don't think I have heard a less satisfying account The percentage of errors was account of Evryali was more accurate than his Brahms, but

when projected by such a harsh, unyielding tone.

It was altogether an extraordinary performance, even without the constant spice of without the constant spice was accurate than his branks, but it is sounded likely; this Messian that this piece was intended for liturgical use. But there is little suggestion that there is little suggestion that there is little suggestion that the constant spice of without the constant spice

the evening is ideally suited to Xenakis's piano writing, and closed the programme made a convincing impression. I cannot claim to know whether Helffer's

Arts Guide

Exhibitions

PARIS

Old and new: State acquisitions over the last five years. The 240 exhibits range from an Egyptian pleureuse dating from 1800 BC to contempo-rary artists and comprise paintings, sculpture, pieces of furniture and

objects d'art. Among the chef-d'œuvres there is Vermeer's Astron-

omer, Frans Hals Jester Playing The Lute as well as works by Man-

et, Monet and Seurat Lucas Cranach's Melaucholy comes from a provincial museum. Grand Palais. Ends Feb 3 (42603926)

Galle: The first retrospective in

France in honour of one of the most important artists of Art Nouveau

who successfully explored the sinu-ous line in ceramics, glass and cabi-net making. Musée du Luxembourg, closed Mon, Thur late opening. Ends

Manich: Haus der Kunst, Prinzregen-tenstr. 1: Karl Spitzweg (1808-1885): 500 drawings and paintings with 70 cartoons from four artists, among them Daumier, Doré, Gavarni and Grandville, Ends Feb.

trasse 14: Walter Cropius, "The Ar-chitect and Designer." An exhibition of paintings, constructions, designs and furniture by Gropius. Ends

us-Archiv, Kingelhöfers-

Feb 2 (42342595).

|Toshiba donates funds

for Japanese Gallery

Toshiba has given £350,000

Toshiba Gallery of Japanese Art, is to open in the autumn, The Victoria and Albert Museum certainly the two pieces which has one of the largest art collections outside Japan of Japan's Edo and Meiji periods tury). At present only 15 per cent of the collection is on dis-

The gallery, to be called the (17th century to early 20th cen-

Missa Solemnis/Elizabeth Hall

Richard Fairman

Small-scale performances of positive evidence to the contrary: reports at the time men-Beethoven continue apace. tion a chorus of 80 or 100 and in one letter Beethoven talks of having a string section in have been recorded on original the orchestra with 24 violins and 10 violas. instruments and are awaiting release. But Tuesday night's concert by the Monteverdi Choir and Orchestra under John Eliot Gardiner is one of

All this is far from the scale of the Monteverdi Choir and John Eliot Gardiner is one of Orchestra. On the orchestral the first occasions that the old side their numbers are about performing traditions have half—14 violins, four violas— been challenged in the case of and for the choir rather less even than that. As sound alone, this was quite unlike any other

and articulate, often over- approach should not be taken too quickly, for after years of Altogether little remained of hearing this music under conductors who approach it from a romantic standpoint we now after a struggle. John Eliot have the opportunity to hear Gardiner's performance is con-

The solo quartet was led with lovely, pure singing on the top from Barbara Bonney, the Beethoven had a small number comfortable soft layer of anathema. But a decision on that the composer can have of performers in mind and some strings. Everything was bright the virtues and voices of this imagined only in his dreams.

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to the Victoria and Albert Museum in London to help set up a gallery of Japanese craft and design.

powered by brass

the work's customary atmo-sphere of deep feelings attained ceived in a simpler vein, alert from the other end, and articulate, at fast speeds

The solo quartet w which bring it home ten minutes sooner than other energetic accounts usually do. The Credo theme does not convince (Beet-Lovers of Klemperer and the old style will assuredly find it

soorano: and Diane Montague hoven's speed indicates a surer, steadier declaration of faith than this); but the Benedictus was refreshingly unsentimental, writing with extraordings with extraordings. gave firm and decisive support clarity, a standard of execution

WEST GERMANY disselderf, Kunsthalle Grabbeplatz Joel Shapiro: First stop for an exhibition covering 80 abstract sculp-tures and paintings by the Ameri-can artist in the last nine years. Ends Jan 19.

My available capital is £______ (minimum £10,000)

FTITL

Venice: Museo Correr (Ala Napoleonica): Folon: Over 200 works by the celebrated Belgian artist, among them 120 watercolours originally as illustrations to Apollmaire, Prevert,

Masic/Monday, Opera and Beliet/Tuesday, Theatre/ Wednesday, Exhibitions/Thursday, A selective guide to

all the Arts appears each Friday.

Boris Vian and others. A perverse but gentle painter with a seductive use of colour. Includes delightful watercolours of Venice. Ends Jan 19.
Milan: Palazzo Reale and Palazzo Bagatti Valsecchi: Edvard Munch (1883-1944): A large retrospective show by the Norwegian forerunner of the expressionists. An extraordiof the expressionists. An extraordi-nary conveyor of pain and anguish. Most of the paintings are from the Munch Moseum in Oslo. Until

Rome: Palazzo Venezia: "English Cari-cature, from Hogarth to Cruikshank". 114 engravings from the Sprovieri collection bearing witness to the extraordinary freedom of speech enjoyed in England in these years (1740-1840). Nobody is spared: the Royal Family, the Government, the Church, the army or the aristocracy. The exhibition is sponsored t the British Council. Until Jan. 30.

Madrid. Repetitive Structures. 22 works by 21 artists on loan from Ludwig Museum in Cologne, among them, Andre, Judd, Lewitt and Morris engaged in the Minimal move ment and Andy Warhol, Lichtenstein and Dine in the Pop Art. Interesting mix of styles and trends. Fun-Juan March, Castello 77. Ends Feb 16.

Madrid, Enzo Cucchi, A selection of artist's drawings and paintings of the past 16 months. One of the top international plastic painters of the months of the top international plastic painters of the months.

deaux, New York and Paris. Funda-cion Caja de Pensiones, Serrano 60, Madrid. Ends Feb 2.

VIENNA Kandinsky In Paris 1934-1944: An extensive collection of oil paintings, gouaches, watercolours and photographs from the last 10 years of Kandinsky's life, organised by the

Guggenheim Museum, New York. It shows the culmination of his development as pioneer of abstract art, his earlier dramatic exuberance giving way to a more refined style with softer pastels and monochrome co-lours, but the dynamism remains. In sections on Black Backgrounds and Concrete Art Kandinsky's works are brilliantly complemented by those of Klee, Mondrian, Arp, Miro and Picasso, showing his influence on a generation of European abstract artists. 20th Century Museum. Ends

George Grosz, The Berlin Years (1912-1933): A collection of carica-tures of life in Weimar Germany from the First World War to Nazism. Grosz, a committed socialist and celebrated draughtsman, produced powerful caricatures of establishment figures from the church, the Government and the financial world who are portrayed as brutal, pom-pous and stupid, amid vaguely threatening scenes of urban decay. His images may shock but his stark and realistic style conveys a powerful impression of a turbulent period in Germany's history. At the Twentieth Century Museum until

NEW YORK

Guggenheim Museum: 55 major sculp-

Jan 10-16 tors of the 20th century, including

Giacometti, Nevelson, and Johns, are part of the theme Transformations In Sculpture, meant to cover pop art, minimalism and Arte Pove-

pop art, minimalism and Arte Povera, among other movements of the past 40 years. Ends Feb 16. Pierpont Morgan Library: 200 British photographs from the Victoria & Albert Museum enver Fox Talbot to Julia Margaret Cameron and Lewis Carroll among the earliest practitioners in the years from 1839 to 1900. 36th St & Madison Av. Ends Eab 2

the Princely Collection, one of the greatest private collections in Europe, shows a variety of the hold-ings, like a French Rococo carriage, firearms, sculpture and a hundred paintings, including 19 Rubens, 5 Van Dycks, and 8 Franceschinis.

litan Museum: Liechter

WASHINGTON National Gallery: The Treasure Houses of Britain collects 700 ob-

jects from 200 stately homes in a show mounted and decorated to look like the quintessential stately home, with paintings by Holbein, Rubens, Van Dyck, Hogarth and Turner among many others, as well as Chippendale furniture, Meissen and Sevres porcelain and tapestry, jewellery and armour. Ends Mar 9. Istional Museum of American Art. 73 works of New Zealand Maori artists show the mixture of religious, sym-bolic and artistic traditions in leath-er capes, ceramic vessels, carved and painted gourds and woven hangings using native materials. Ends March 9. Renwick Gallery.

Saleroom/Antony Thorncroft

Corner of classicism

and which allowed the holder But, in the main, these are elaborate known.

dull days which allow Sotheby's and Christie's to reveal the better side of their natures by offering their premises for charitable exhibitions. Christie's was host to the Contemporary Arts Society, and Sotheby's has currently a good show of marine art and artifacts, in aid of the RNLL

attractive select group of classical antiquities on loan from British private collections. The proceeds from the 10,000 photographs of ancient leading British classical scholars of this century.

The exhibition looks like the

classical museum of a great public school, which is appro-priate since many of the objects borrowed come from Eton and

The salerooms are slowly Harrow, Winchester and recovering from their mid-winter break. Henry Spencer what treasures these schools & Sons in Retford sold an contain, Most interesting is a interesting item this week — Cycladic terracotta kernos, of one of the 150 silver race around 2250 BC, from Eton. It tickets issued in 1777 to finance is supposed that this arew grandstand at Documents. 25 flask-like receptacles, was for free admission in perpetuity. It offerings, but the Eton example made £750.

With less than 70 objects the exhibition underlines just how familiar, and how strange, the classical world is to us. The marble busts are instantly acceptable and come from the great collections amassed by British aristocrats at the time of the Grand Tour-from Holkham and Petworth and Chatsworth. And now, in its tiny Kiddell But what are we to make of a Gallery, Sotheby's has on giant porphyry foot, from New-display until January 31 a most castle University—not a broken limb from a massive statue but created as a foot, to be worshipped by a cult.

There are some eye-catching The proceeds from the catalogue will go towards fund-objects—two Greek bronze ing the Ashmole Archive, a helmets of the 6th century BC, collection housed at King's striking evidence of the small College, London, of more than

sculpture assembled by Prof depicts a young girl taking off Bernard Ashmole, one of the her red boots before bathing in a vessel the size of an entrée dish; and a large marble ship. 129cm long, which gives an accurate portrayal of a Roman vessel or around 100AD, and was perhaps designed as a

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PORTMAN

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Corporate Planner

£13,500-£15,500 Central London

finance houses, providing a comprehensive range of credit services to commerce, industry and the individual consumer through a national network of regional centres and branches. A subsidiary of Lloyds Bank, the Group has assets of £2.5 billion and employs over 4,000 staff. Lloyds Bowmaker Finance Group is one of Britain's lea

An analyst is required to join a young professional team in our Group head office in London. Specific responsibilities will cover Group strategic planning, financial forecasts, management information systems, market analyses and ent appraisals.

Candidates should have a good degree-preferably in economics or business administration—and experience in corporate planning, finance or marketing, together with an awareness of micro-computer techniques. Excellent communication skills, a sound analytical mind and pragmatic approach are all essential.

Excellent benefits are those appropriate to a major financial

Please write with full personal and career details, including home telephone number, to: Carol Cass, Group Personnel Officer, Lloyds Bowmaker Financial Group, 9–13 Grosvenor Street, London W1X 9FB.

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City Division

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worldwide.
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The successful candidate will be responsible for all Eurobond Settlements including dollar bonds, straights, convertibles and FRN's.

and Fred s. Applicants will have at least two years' Eurobond Settlements experience within a major financial institution, a sound knowledge of Euroclear and an understanding of Capital

Markets instruments.

Male or female candidates should telephone Anne Weston in confidence for a Personal History Form quoting Ref: 607/FT.

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Recruitment Consultants

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This appointment is to complete a newly created small specialist team within a well-established, prestigious institution providing banking and a wide range of financial services, predominantly to high net-worth U.K. residents.

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The successful candidate will be expected to provide ongoing sound and objective advice directly to a small group of wealthy customers for whom responsibility will be undertaken; this will require appropriate personal skills and attributes to project the style and standing of the organisation. It is important to be able to demonstrate experience of delivering effective solutions to a wide range of financial problems relating to individuals

This appointment represents an excellent career opportunity with a highly respected institution for the person who can offer the required blend of skills, experience and personality.

Please apply in confidence, with C.V., to: Michael Southern,

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A major international banking corporation, an active lender in most markets and involved in all modern banking transactions, is replacing a lawyer moving into the bank's investment arm. A self-crims and except the lawyer, aged 30 years or more, used to transactional banking law, prepared for considerable exposure and travel, will find the bank's small Legal. Department a demanding bur satisfying work environment. Prospects for career growth and promotion are excellent with the possibility of a London posting in due course.

The total remuneration package will be negotiable at a level reflecting the importance of this appointment and paid tax free. All usual oversess banking benefits are available.

Applications for this post, quoting ref. RM/C261, are to be made to Robert Macdonald of Router Sinkin Ltd., 26-28 Bedford Row, London WC1R 4HE Tel: 01-405 6852 (Fax. 01-405 3677) who are instructed to conduct first interviews and prepare a shortlist.

REUTER SIMKIN

FRN Trading

London Interstate Bank, London, a wholly owned subsidiary of Sparekassen SDS, Denmark, is currently establishing a FRN trading capacity and is seeking a candidate to take responsibility for this

The successful applicant must possess relevant experience, be self motivated, hard working and enjoy an aggressive environment.

Remuneration will be competitive and geared to

Applications in writing to:

The Personnel Manager **London Interstate Bank Limited Bastion House** 140 London Wall EC2Y 5DN

International Appointments

Un elemento chiave per la nostra strategia di crescita nella

Consulenza di Gestione in Europa

Arthur D. Little, società riconosciuta come tra i leaders mondiali della consulenza di gestione e della tecnologia, continua ad espandere le proprie attività in Europa.

La nostra sede italiana, basata a Milano, é una delle forze trainanti del nostro sviluppo in Europa ed opera nei campi della gestione strategica, organizzazione, attività operative, sistemi informativi e finanza. Uno dei suoi punti di forza, rappresentativi dell'Arthur D. Little, é la capacità di integrare in ogni aspetto funzionale del business la dimensione tecnologica.

Questo contesto ha creato opportunità di carriera molto stimolanti per laureati di età attomo ai trent'anni con ottima conoscenza. della lingua Italiana ed Inglese. Il candidato ideale possiede una laurea in Ingegneria o in discipline preferibilmente scientifiche, supplementata da un Master in Business Administration. La sua esperienza di lavoro consiste in cinque o più anni nell'industria

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Se siete dotati di una forte creatività e spirito analitico, siete attratti dagli stimoli e libertà intellettuali, siete disposti ad assumere importanti responsabilità ed avete la necessaria maturità e confidenza per guadagnare la fiducia ed il rispetto dei vostri clienti e colleghi a tutti i livelli gerarchici, questa rappresenta una delle più premiate opportunità di carriera che potreste incontrare. Tale carriera vi permetterà inoltre di sviluppare le vostre doti professionali in un ambiente che mantiene i massimi standards.

Il pacchetto retribuțivo offerto interesserà i candidati del massimo calibro.

Si prega di inviare un curriculum vitae dettagliato (in Inglese) a: E. H. R. Lyte, Director of Personnel, Arthur D. Little International, Inc., Berkeley Square House, Berkeley Square, London W1X 6EY.

Arthur D Little International, Inc.

Project Accountant

Amsterdam

c£17,500 + benefits

Our client is one of the world's largest airfreight forwarding companies and part of a diverse international group. The company has an impressive record of growth and as a result of plans for future expansion, they now seek a Project Accountant to strengthen their financial team at the world's headquarters in Amsterdam.

Reporting to the Divisional Controller, main responsibilities for this position are as follows:

financial audit and operational review
special projects including investigations
financial analysis
head office reporting

The role will involve considerable travel worldwide including visits to company locations in Europe, U.S.A., the Middle East and Far East.

Candidates should be single, aged 26-30, having qualified as an ACMA, ACA or ACCA with experience gained ideally in a service industry in an international

A good working knowledge of French and German would be useful.

Interested candidates should contact John Archer on (Brossels) 010-322-648.13.84 or send a comprehensive curriculum vitae to Michael Page International, avenue Louise 350, Box 3, 1050 Brussels.



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tion whose Jersey based trust business is experiencing considerable growth. As part of the development programme they

As part of the development programme they wish to appoint a highly professional person capable of managing and expanding a considerable sophisticated client-base. Some international travel will be involved. We are particularly interested to hear from those who have Middle and Far East direct client contact and an ability to negotiate at a high level with wealthy individuals and professional advisors.

professional advisors.

Reporting to the General Manager you will have ample scope to display your talent and

Michael R. I. Scowen, The Expatriate Resources Company Limited PO Box 382, Jersey, Channel Islands. Telephone: 0534 76257



Finance Manager

A greenfields challenge in Abu Dhabi

The construction in Abu Dhabi of a new wide body aircraft maintenance facility has brought about this new opportunity for a Finance Manager with Gulf Aircraft Maintenance Company.

Your initial responsibilities will be to establish a structure of accounts and activate a computerised finance system, and subsequently to set up a finance department including accounts functions, employee payroll and internal audit.

Candidates, preferably fully qualified, must have substantial relevant experience, including managerial responsibility.

Initially a three year renewable contract, this demanding professional opportunity carries a generous, tax-free salary, free furnished accommodation, service gratuity and other attractive benefits.

Please write, with full cv, photograph and copies of all relevant certificates, to: Project Manager, GAMCO, PO Box 6450, Abu Dhabi, U.A.E.



FINANCIAL DIRECTOR (designate) \$75-100,000 BRUXELLES

We are a burgeoning private Group established worldwide (8 countries). Our interests include mining, financial services, oil + gas exploration and production and publishing.

The Group's gearing is negligable and net assets approximate \$100m. This is just the beginning.

Now a top level financial person — probably with banking (or perhaps senior accountancy) experience — is required to join a team of two to drive/propel the Group through its current and most exciting phase of expansion.

phase of expansion.

You will need to demonstrate a successful record of conducting the financial affairs of an entrepreneurial concern and be able to represent the Group internationally at all levels in the development of its business. Relationships with banks, which have been previously unnecessary, will now need to be established. Extensive travel will be a feature of this position which is Bruxelles based and is to be filled as soon as possible. In replying to this advertisement you will be writing direct to Group headquarters. All communications will be treated in confidence. Box A0022, Financial Times, 10 Cannon Street, London, EC4P 4BY.

Our client is a leading global financial institu-

This is a senior position and candidates should preferably be AIB, Chartered Secretary or similarly qualified with sound experience in trust and corporate law linked to strong man-management skills.

Your expertise will be recognised through a highly competitive remuneration package which will include preferential mortgage and bonus scheme.

Please forward your detailed CV in complete confidence to



KUWAIT CREATIVE TRAINERS WANTED

We are the Institute of Banking Studies, Kuwait, and we need professional bank trainers in the areas of domestic and international asset management, liabilities management, bank marketing and product development, and,

bank systems and operations. The I.B.S. is a premier institution for bankers' training, applied banking research, academic education, and bank consultancy, working under the auspices of the Central Bank of Kuwait. We have established a firm grounding in the last few years in terms of our goals and direction, and our high level of activity has made an impact. We now look to gearing up in the

next few years.

We are looking especially for persons in the age group of 30 to 45 with a blend of quality education and experience. A good degree and a minimum of seven years' relevant work experience in a bank is essential in addition to experience as a trainer. Enthusiasm for the job and creativity are an absolute must. The work will include designing programmes, preparing training materials, teaching primarily in one's specialised area and secondly in an external subject besides coordination. optional subject, besides co-ordination.

Terms will be attractive and negotiable. Send your CV, with photograph,

before 30th January to:

DR. ABDULLAH M. S. GHANEM, DIRECTOR,
INSTITUTE OF BANKING STUDIES,
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Successful candidates should have: Proven years of experience in the financial industry

Excellent communications skills An ability to function with minimum supervisis

If you possess a well-rounded background, have available time, and a strong desire to stay active in the financial community, we are interested in speaking with you. (Must be conversant in English.)

Local interviews will be the week of February 3rd.
Please forward your curriculum vizze and a short note
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Finance Director

C. London

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This new key role will encompass total financial control, including the management of overnight cash deposits, and major input to the strategic

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UNIVERSITY **OF DURHAM**

LECTURESHIP

IN ACCOUNTING AND FINANCE

Applications are invited for Applications are invited for a Locturship in Accounting and Finance, following a further donation from Spicer and Pegler, who have already funded a Chair of Accounting in the Department. This expansion of the accounting This expansion of the accounting staff within the Department is part of the programme to Implement an accredited Accounting-Economica degree, which will admit its first students in October 1986. There will be a further appointment in 1967. There is no preference for any particular specialism.

The initial salary will be at an appropriate point on the Lecturer scale (£7,820-£15,520), according to age, qualifications and experience. Further perticulers may be obtained from the Registrar and Secretary. Old Shire Hall, Old Elvet, Durham, DH1 3HP, to whom applications (three copies) should be sent not later than Friday, 7th February 1966.

Finance Director

Berkshire

This small and profitable group requires a Finance Director to join its senior management team. The group's recent successes have been based upon sound management and expanding the sales of its light engineering products to a wide

range of export markets. Reporting to the Chief Executive, the Finance Director will be responsible for the management of the group's financial affairs, advising the management of the group and its subsidiaries on business and financial decisions. The role will also include group company secretarial matters, as well as the key tasks of cash management, budgeting, forecasting and systems development.

A qualified accountant is required with experience of working at a senior level in an engineering or manufacturing

c.£25,000+car

company. Specific experience of cash management and exporting is also sought, coupled with the personal and technical skills needed in a small group. Remuneration: around £25,000 including discretionary bonus, car and other substantial benefits.

Please reply in confidence, enclosing career details and quoting reference U2259/L, to John W. Hills, Executive Selection Division, Peat Marwick Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

PEAT MARWICK

Vice-President Finance **Europe**

West End

to £30,000 + bonus + car

This very successful international company is seeking an able, creative accountant to head the corporate finance function of its European Region with operations throughout Europe, and in the Middle East and Africa. Part of a diversified Canadian group, the company markets its speciality chemicals to a variety of industry sectors worldwide. Turnover approaches £300m, of which nearly half is generated by the Region. The Vice-President Finance will join the small headquarters team and work closely with the Chief Executive in maximizing the profitability of existing operations and guiding their development by acquisition and

company in Canada and frequent visits to the operating subsidiaries will be necessary. Candidates, aged in their 30s and with a professional qualification, must have proven experience of managing corporate finance in an international context. A second European language, preferably French, would be an advantage. Salary is negotiable and the excellent benefits package includes a car and profit-related bonus.

> Please write with brief cv, in confidence, to Peter Greenaway, Ref: AA51/9674/FT.

growth. Close links will be maintained with the parent

 $c \le 35,000 + car + benefits$

direction of the company. Full computerisation of the

Candidates will be qualified accountants, probably aged

30-40, who are able to demonstrate an exceptional track

record to date in a disciplined environment. Excellent

man-management skills and strong commercial flair are

The salary package for the successful candidate will reflect

the demanding nature of the appointment. Benefits will

include an executive car, share options and profit sharing

Interested applicants should write to Nigel Bates FCA,

accounting function will be an immediate priority.

essential personal qualities.

PA Personnel Services

Executive Search · Selection · Psychometrics · Remaneration & Personnel Consultancy Hyde Park House, 60s Knightsbridge, London SWIX 7LE. Tel: 01-235 6060 Telex: 27874



With rapidly changing business and management requirements, the Prudential, long established as one of the UK's largest users of computer facilities, is developing a new generation of systems to cater for substantial growth and diversification.

A young qualified accountant with computer audit experience, gained either in the profession or in commerce, is sought to strengthen the multidiscipline audit team. Main responsibilities

will be the development of interrogation techniques to complement the work

Computer Audit Central London

of the operational auditors and the monitoring and appraisal of new and existing systems. Future prospects are outstanding and success in this position will create further opportunities in the field of systems audit/development or in line manage-

ment within one of many diverse business areas. The highly competitive remuneration package includes a non-contributory pension and a low cost

Lloyd <u>Management</u> 125 High Holborn London WC1V 6QA

Contact David Tod BSc FCA on 01-405 3499 quoting ref D/363/CF

VIKING **PROPERTY**

GROUP



GROUP FINANCIAL CONTROLLER

The Viking Property Group of property development companies with substantial programmes in both the UK and North America proposes to strengthen its management team by the appointment of a qualified accountant as Group Financial Controller.

The successful applicant, who is likely to be aged between 30 and 35, will be based at the East Midands headquarters.

In liaison with the present Group Accountant he will be responsible directly to the Chairman for all financial aspects of the Group including:—

Financial reporting Management accounts Tax planning information Budgetary control Data processing

.

4

Assets and Cash Management Analysis and evaluation of Company acquisitions Administrative systems

In addition he will asssist the Projects Director in the assessment of the economics of contemplated development schemes, in the control of the expenditure on projects in hand and in the completion of the relevant legal documentation.

He will also be appointed Company Secretary to all the companies within the Group.

The salary arrangements are negotiable but will include generous fringe benefits and relocation

Applications in writing with full cv to The Chairman, Viking Property Group, Kilburn Hall, Kilburn, Derby DE5 OLU marking the envelope "Private and Confidential."

Honeywell, one of the world's leaders in Information and Control Systems technology, is looking for accountants for its substantial UK operation (t/o £300 million).

Qualified Accountants c£18K plus car

Manager, Financial Forecasts

- this is a key management position in the financial analysis and forecasting of our Information Systems Business.

Manager, Financial Analysis and Planning

-a similarly key position working closely with the management of our Systems Division, and acting as deputy to the Divisional Controller. The insight into the Company's operations gained in these positions will provide an excellent basis for promotion to a Controller position in the medium term.

Senior Analysts

Because of the control of the contro

We also have a requirement for a number of recently or near qualified accountants to work within our business controller and corporate functions, competitive salaries are offered, based on qualifications and experience.

The positions are based at our offices in Brentford, Bracknell or Hemel Hempstead.

Please apply with full cv to Alan Smith, Personnel Manager, Honeywell Information Systems Ltd., Honeywell House, Great West Road, Brentford, Middlesex.

Honeywell

together, we can find the answers MAJOR NEW VENTURE

Young Ambitious Accountant

Our Client is a new company, a subsidiary of a leading American Investment Bank, which has been established with strong capital backing to operate in the Home Loans market.

c 18,000 + mortgage + bonus

To complete their new and entrepreneurial management steam, they now seek an To complete their new and entrepreneurial management feam, they now seek an ambitious young accountant to handle a varied profile role in close liaison with the Controller and the Operations Director. Responsibilities will include the Internal Management Reporting, Cash Management and all aspects of the Financial Accounting. Candidates should be self-motivated Chartered Accountants who can apply attention to detail and communicate effectively under pressure. Previous Financial sector experience though useful is not essential. Prospects are excellent for the candidate with the talent to succeed within an organisation which demands the highest

Please write, enclosing career details, to SUSAN FIRTH

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M STP. TELEPHONE 01-628 2441

Firth Ross Martin

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Exceptional career opportunities in publishing Salaries from £25,000 + benefits

We have been retained by Newspaper Publishing PLC, based in Central London, which is to publish a new quality national daily newspaper employing latest available technology. Enjoying substantial backing by major financial institutions and leading City advisers, the newspaper is scheduled to be launched later this year. Consequently the company seeks to appoint exceptionally talented Managers for two key roles. Both positions report directly to the Finance Director and demand candidates of the highest calibre.

Chief Accountant

This is essentially a "hands-on" role for a qualified accountant, encompassing day-to-day management of the accounting function. Ideally from a newpaper/publishing background, you are likely to be in your early 30's and must have an outstanding track record to date particularly in the area of computer systems development within a fast moving environment. The ability to work to strict deadlines and apply effective man management techniques is vital.

Company Secretary

A qualified Chartered Secretary with a strong managerial background, you will be the focal point for all matters relating to personnel, insurance, property, pensions, and general administration. Aged mid to late 30's, you must possess the personality and presence to command respect and credibility at board room level.

These positions represent outstanding opportunities for highly motivated individuals to join an exciting new venture from inception. The salaries, which will not be a limiting factor, are unlikely to be less than £25,000. A company car and an attractive share option scheme will be

Interested applicants should write to either Nigel Bates FCA, or Andrew Sales FCCA, Executive Division, enclosing comprehensive c.v. quoting ref. 295, at 39/41 Parker Street, London WC2B 5LH.



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Financial Controller

Croydon

to £22,000 + Car

We have been retained by a well-established privately owned company, whose rapid growth as manufacturers and suppliers to the construction industry has resulted in unrivalled success and achievement in their field.

As a result of continued expansion, they now wish to appoint a high calibre, confident accountant as Financial Controller to strengthen their executive team.

This unique opportunity will ideally sult an ambitious fully-qualified accountant, aged 25 to 45 years, who is able to participate in the general management and corporate planning of the company.

In addition to being responsible for the entire management and financial accounting function within this exciting, pressurised business environment, a familiarity with the latest computer applications will be of significant value.

The successful candidate must possess a keen commercial awareness and be able to demonstrate sufficient drive and potential to become Finance Director in the medium

Please apply in complete confidence to the company's financial recruitment advisors, sending a full CV and salary history, if writing, for the attention of:

Gary Laurence, SELECTED ACCOUNTS PERSONNEL LTD., Suite 321, High Holborn House, 52/54 High Holborn, London, WCIV 6RL. Telephone: 01-242 0509 (24 hours).

Interviews will take place at either our Central London or Beckenham office whichever is most convenient.

FINANCIAL CONTROLLER POTENTIAL FINANCIAL DIRECTOR Circa £17,500 + CAR + RE-LOCATION

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Reporting directly to, and working closely with the Chairman and the Managing Director, the successful applicant will be responsible for the full Finance Function in a complex manufacturing enterprise.

This challenging new post provides an excellent opportunity to introduce modern managia disciplines with strong commercial involvement as a key member of the top management team.

Candidates should be Qualified Accountants, with wide industrial experience and preferably a knowledge of Foreign Trading. Reply in confidence to: M. C. MacSwiney FCA (Ref. BJW)
Grant Thornton, Churchgate House,
35 Churchgate Street, Bury St. Edmur
Suffolk, IP33 1RD

FINANCIAL TIMES

Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Thursday January 16 1986

A sum less than its parts

dency with public spending to vatisation) as a proportion of believe that it is the big pic-ture rather than the fine print below the ratio of 43 per cent that matters. By this criterion, inherited in 1978-79. that matters. By this criterion, this year's White Paper, which is thicker and apparently more informative than ever, will generate little interest in British financial markets. The big pic-ture, after all, is already known: in last year's Autumn Statetradition and announced the public spending planning totals for the next three financial

A broad assessment of the credibility of the overall spending totals and of the scope for tax cuts within the context of although perhaps not as damning as the reaction to the 1985 White Paper. There is continuing concern in the City about the extent to which the expanded privatisation programme has disguised a relaxation of departmental spending limits— yesterday's paper confirms that in cash terms expenditure will be £2.8bn higher in 1986-87 than planned last year.

The big picture for public spending is not particularly in-spiring. For the umpteenth time the Government is saying it can stabilise public spending in real terms. Yet it continues to rely on unrealistic assumptions—for example that social security benefits can be reduced in real terms next year and held steady thereafter. The outlook is for immediate slippage: after adjustment for the miners' strike (which affected spending this year) and privatisation, public spending can be held steady in 1 per cent in real terms in the

The best guess must be that public spending will continue to grow in real terms despite protestations to the contrary but perhaps at a slower rate than

The failure to halt the public spending juggernaut has had a number of interesting consequences. The big tax cuts once regarded by Thatcherites as the key to improvements in supply-side efficiency have been postponed. Ministerial attitudes have adjusted: public spending

is no longer regarded auto-matically as a bad thing — credit is taken for real increases in the health and social security budgets. But per-haps most significant, attention has moved away from the big the medium term strategy has already been made by the market. By and large the assessment has been unfavourable for money. and focused more on micro issues of allocation and value for money.

This change is to be welcomed. The composition of public spending is arguably a good

deal more important than the overall total: there is nothing inherently wrong with public spending absorbing 45 per cent of GDP provided each element microeconomic rationale. In-deed, a compositional analysis of spending trends makes the Government's inability to hold down the total easier to understand: much of the increase merely reflects higher transfers to the personal sector through social security payments rather than higher public spending on

yesterday Mr John Mac-Gregor, the Chief Secretary, was paying commendable atten-tion to detail, citing the in-creased value for money achieved in defence and the health service. It remains to be seen whether the planned compositional shifts can be achieved: for example, the planned real contraction of the defence budget may prove elusive. What is certain, howbetween departments and activities need to be rationally planned and reviewed against economic criteria rather than in the past five years, reflecting the stabilisation of unemployment. This means that even if the Thatcher Government runs embarrassing overshoot of the to its full term, public spend- agreed overall planning total.

goods and services.

Open standards in computing

tronic system suppliers must cal achievement OSI and SNA retaining control of the Senate.

follow, if computing equipment were designed for different purfollow, if computing equipment of different types and manufacture is to be connected together simply and economically, might seem of intrinsic interest only to engineers and computer Yet they are crucial to the

development of the information technology industry worldwide; this point will be underlined in two weeks' time when 18 of the leading US computer manufacturers meet to establish a "corporation for open systems," adding their weight to a campaign for international interconnection stan-dards already championed by their European counterparts.

It is also supported by Euro-sought safety in numbers, abantheir European counterparts.
It is also supported by European governments. Mr Leon Brittan, Trade and Industry Secretary, last week reiterated the UK Government's belief that the interstional translation. that the international standards now being created are a pre-requisite for progress and for healthy competition in the information technology business. But while it is impossible to find anybody who disagrees that open systems are anything but a good thing, progress towards their universal implementation in computing has proved difficult.

Complicated

To allow computers of IBM equipment as attached to an OSI network; but that IBM equipment as attached to an OSI network; but that IBM when of the connection programme must be exactly right from the physical size of the connecting plugs to the computer software which handles the massages.

In practice this would mean that all would be fair when OSI network; but that IBM when OSI-based equipment was attached to its central computers to the computer software which handles the massages. physical size of the connecting plugs to the computer software which handles the messages transmitted. For the various official standards bodies to secure agreement from all the interested manufacturers to these detailed technical proofficial standards bodies to secure agreement from all the interested manufacturers to these detailed technical proposals is time-consuming; the present moves to establish an international standard, known as Open Systems Interconnection or OSI, began in 1974. Of the seven separate sections of the standard, only four have so far been defined completely.

The picture is complicated by the fact that while all the major manufacturers have developed their proprietary interconnection standards to a greater or lesser extent on OSI principles, IBM, the world's dominant computer manufacturer, has a powerful commitment to its own networking rules which it calls Systems Network Architecture, or SNA.

It began building SNA before OSI was initiated and it now has many customers with successfully interconnected computer systems running will be of little value unless they under the SNA rules. That, in

THE DESIGN rules which elec- itself, is a considerable techniposes. OSI is designed to allow equipment of different manufacture to communicate successfully. SNA is designed to man-

> processing worldwide there are fears that it could establish SNA as a de facto standard. That would be bad; competitors would always be at a significant directors. disadvantage in designing equipment which had to meet IBM's interconnection rules doned their own proprietary interconnection rules and put their weight behind OSL

IBM to its credit, has played its part in the e tablishment and development of OSI standards. It argues that it is committed to OSI as a force for good in the industry. But it will not abandon its investment in SNA: it will provide "gateways" or electronic conversion devices to translate between SNA net-works and OSI-based systems. In practice this would mean

NEW era in the way the US Government sets its studget priorities opened yesterday not with a bang but

yesterday not with a bang but with an ominous tremor.
Washington's two main budget agencies, the White House Office of Management and Budget (OMB) and The Congressional Budget Office (CBO) joined together for the first time as required by The Balanced Budget and Emergency Deficit Control Act of 1985, and formally projected that the 1986 Federal budget deficit this year would rise to a record \$220bn.
With the release of the report

With the release of the report the clock began ticking for the implementation of automatic cuts, the so-called "sequester-ing" of government spending, which the Gramm-Rudmanto try to force the elimination of the budget deficit by 1991. On January 20, the day On January 20, the day before Congress reconvenes after its Christmas holiday, the General Accounting Office (GAO), exercising a power which is already being challenged in Federal court as unconstitutional, must report to the President telling him to prepare to issue the sequestra-

deficit is well above the legal target.
At that point unsuspecting Congressmen "are finally going to be hit on the side of the head with a two-by-four," says a budget expert on Capitol Hill discussing the implications of the train of events set in motion yesterday. One of the first things the new spending law will require, he suggests, is a \$15n require, he suggests, is a \$100 cut from the Farm Bill which Congress has just approved.

But if this is the beginning of the Gramm-Rudman era, it is nothing in comparison with what could lie ahead if the

"Its not even a warm-up," says another Capitol Hill budget watcher. He points out that for 1986 the budget law also perversely limits to \$11.7bn cuts in the projected \$982bn Federal budget. For fiscal year 1987, when the deficit target drops to \$144bn, the automatic spending cuts could be as high as \$75bn,

law survives the forthcoming

tests in the courts and in

it they are triggered.

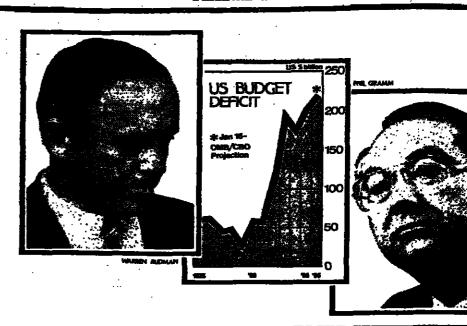
Moreover, because the lsw says that large parts of the budget, ranging from social security and interest on the national debt to some spending programmes for the poor, must not be touched, the automatic spending reductions must be made in areas accounting for barely one quarter (in 1986 \$281bn) of projected outlays. The law also requires that cuts are made equally between defence and non-defence areas. Indeed, many of those who backed the Bill did so on the grounds that it was precisely this threat of automatic actions which would corner President

To make doubly sure they built into the law a second political fuse, the automatic spending cuts for 1987. These are timed to explode on October 1, the beginning of the new fiscal year and only five weeks before mid-term congresthe President have handcuffed negotiating stance.

The Gramm—Rudman law

Clock ticks on the **US** deficit

By Stewart Fleming in Washington



It is no wonder that there unlikely event Congress were is a palpable sense of nervous to endorse his strategy for anticipation in Washington as achieving this goal, there the Gramm-Rudman era dawns. prepare to issue the sequestra-tion order for 1986 since the Those planning legislation in any field must ask themselves whether they should proceed on the assumption that Gramm-Rudman will continue to function or whether the Supreme Court will ultimately uphold the challenge to the constitutionality of the sequestering process. If it survives the legal challenge, will Congress and the President really allow draconian automatic spending cuts in October?

The economic implications

for policy makers in the US and abroad who see the resolution of the budget deficit as a key to more stable growth, and for the financial markets. are just as obscure. Is progress on the deficit just around the corner? If not, the markets can be expected to react badly to signs that this perhaps lastditch effort to tackle the budget issue in a crisis-free atmos-phere, is failing.

There is widespread agree-ent that Gramm-Rudman ment marks a change in the chemistry of the budget deficit debate. Senate Republicans in particular were worried to the point of what Mr Ornstein calls near panic over the danger of an economic upheaval ahead of this year's congressional elec-tions and frustrated at the White House's failure to give more weight to their electoral

Budget panaceas such as the elimination of waste and fraud or growing out of the deficit, so fondly propagated by the Reagan Administration, have been replaced by the need to debate the past spending and taxing decisions the deficit

But who will best be able to exploit this debate to his own political advantage? Can the Reagan and Congress, driving them to a political compromise President use the threat of Gramm-Rudman to blackmail which would begin to resolve Congress into endorsing his political priorities—a continued build-up, no tax increases and heavy cuts in other government programmes? Or will he pursue a compro-mise, perhaps seeking to pro-tect defence spending by conceding a tax increase? There are several straws in the wind. sional elections which could dash Republican hopes of the President will send to According to Dr Norman that compromise is not at the Ornstein, a respected political top of Mr Reagan's list of scientist at the American Enter-priorities. He appears bent on prise Institute, "Congress and adopting his traditional tough age interchange of information the Fresident have nanother and between computers of similar jumped off the cliff without that the budget he presents to (that is, of IBM) design.

IBM is so powerful in data on a plump mattress or a bed Gramm-Rudman target for 1987. That would mean that, in the

would be no need for massive automatic spending cuts to be unleashed in October. unleashed in October.

Mr Reagan, at least in his opening gambit, plans to stay true to his political agenda in aiming at this target. He will propose a further 3 per cent real increase above the \$302.50n provisionally agreed for 1986 in defeace spending authority and he is still saying there will be no tax increases. How will he do it? Partly with the usual manipulation of the

economic assumptions in the budget forecasts, partly by re-submitting hudget pro-gramme eliminations Congress has already rejected, reforms in other Federal spending schemes and, a new element, the sale of some Federal assets to raise as much as \$12bn—a Reagan privatisation programme.

In other words it seems he

THE Budget Reform Bill now

known as Gramm-Rudman had, in fact, three sponsors: Senator Phil Gramm, a former

conservative southern Demo-crat who was elected to the

Senate as a Republican for Texas; Senator Warren Rud-

man (Republican, New Hamp-shire); and Ernest Hollings, an influential Democrat

(South Carolina) who ran

for the party's presidential

The bill was proposed on October 3 last year, tied to

essential legislation to raise the Federal debt ceiling to permit the Government to

carry on financing the budget.

During the bill's tertuous

rogress through Congress,

the Democrats secured an important victory when the

protecting programmes for the poor from automatic spending cuts.

As signed into law en

December 12, the bill sets a legal target for the deficit of \$171.9bn in 1986 but approves

to \$11.7bn, thus ensuring

Between 1987 and the 1991

fiscal year the deficit target

falls steadily from \$144bn to zero. This is the timetable for

this year.

February 3: President

submits budget to Congress.

• March 1: Deadline for

conflicting require limit automatic spending cuts

House approved amendm

nomination in 1984.

THE TIMETABLE

an unresolved budget problem to try again to bludgeon Con-gress into making the Federal Government smaller.

Government smaller.

It is a worrying prospect to Senate Republicans who fully expect to have to take the lead again, as they did last year, in drawing up the first Congressional budget plan. They will watch carefully for signs of flexibility, for olive branches, in the President's state of the union message on January 28. union message on January 28, if they spot a willingness to compromise, some officials are already suggesting that the Senate Republicans will once again start pushing a plan combining cuts in defence spending, increases in taxes (an oil tax is one possibility) and some cuts in those domestic spending programm cherishes.

They expect little public support from many house Democrats who, it seems, are In other words it seems he ready to watch what happens plans to continue the high risk as they did last year, comstrategy of using the threat of forted by the knowledge that

\$11.7bn automatic spending

April 1: The two congres-

sional budget committees are

scheduled to report their own

ncurrent budget resolution

Congressional action on the

resolution to be completed by

By June 30 the House is

supposed to complete action on annual appropriation bills.

the economy and project a fiscal deficit for 1987.

August 20: OMB and CBO will submit their report to the GAO indicating, if the deficit target is not met in

the budget congress has approved, what automatic cuts will be needed if there

is no further congressional

● August 25: GAO issues

report to the President on the automatic spending cuts needed to reach mandated

• September 1: Sequestration

order calling for automatic spending cuts is issued based on GAO report. Congress

to avoid part or all of the sequestration.

October 1: Fiscal year

October 15: Final order issued aimed at getting deficit down to the Gramm-Rudman

deficit target.

will take their "snapshot

August 15: OMB and CBO

April 15.

by ensuring that Gramm-Rud-man cannot attack several major poverty programmes, they have created the appearance of protecting a core con-

If the President does not show signs of a willingness to com-promise then there are fears that a protracted stalemate will result. That would be a recipe for continuing tension and deepening distrust between the White House and Senate Republicans, a prospect Democrats savour. Mr Reagan's tax reform initiative, which is before the Senate Finance Committee having cleared the House, could be a casualty of such a stale-

In theory such a course of events would end up triggering huge automatic spending cuts in October. The legal challenge to the constitutionality of Gramm-Rudman based in part on the way it allegedly mixes executive and legislative powers through the roles given to the CBO, OMB and GAO, is a big CBO. uncertainty surrounding the likelihood that sequestering will indeed come into effect.

Another is the sheer impracticality of that process on the scale Gramm-Rudman envisages. "We won't do it." envisages. "We won't do it," says a White House official on the threat of massive sequestration in October. The President, says a Republican Congressional budget official, will announce that he cannot in good con-science as Commander in Chief support or carry out that kind of cut (in US defences). A House Democrat adds: "It is too draconian to be practical." Indeed, he argues that precisely because it is so draconian, and therefore an empty threat, the budget law does not force compormise, but ensures a stalemate.

In trying to assess how the jockeying for political advantage will progress, some observers argue that a popular President with a cohesive administration and ready access to the media could whip Congress namerci-fully for exposing the Republic to the threat of massive sequestration. But Mr Reagan is not perceived to be strong enough to impose his priorities on Congress, not least because the Administration has been frequently on the defensive on ues such as protectionism. South Africa and tax

efforts to block this process on constitutional grounds

Moreover, even some Administration officials concede that the forthcoming presiden-tial budget looks politically unrealistic. It is evident from the cuts Mr Reagan had to accept from Congress in his defence proposal last year that the President is already on the retreat on defence spending.

Amid so much uncertainty it is not at all surprising that economists are unwilling to place bets on the impact the law will have on the economy. There is also a question about what im-pact the performance of the economy will have on the way the budget debate evolves.

If the economy shows con tinued resiliance nearer the mid-term elections, for example, pressures for action on the deficit could weaken. One thing ever, is the suspension of Gramm-Rudman if a recession is predicted by the OMB and

To the extent that Gramm-Rudman has been seen as a sign of positive intent by Congress on the budget deficit and has contributed to the decline in prices and therefore indivi-duals wealth, its economic impact is positive.

But sentiment in the financial markets will continue to be influenced by the evolving de-bate. Failure to make progress on the deficit, particularly by late summer as sequestration for 1987 looms, could provide some anxious moments on Wall

The Reagan Administration has been taking a much more optimistic line. It is telling its major industrial partners that the passage of the law represents the progress the US promised on its budget deficit at the meeting of the Group of Five industrial countries in New York in Controller The core! York in September. The corol-lary is that the other G5 countries should make good their promises to seek faster economic growth.

But the Europeans have re-acted cautiously, some sceptically. So too it seems has the Federal Reserve. While welcoming Gramm-Rudman, the Fed significantly passed up an opportunity to underline its confidence when it declined to cut its discount rate in the wake of reform since the upheavals in the White House staff last year.

There are even signs that the White House thinks it blundered by backing the budget reform last year. President Reagan has himself publicly disowned the sequestration process and the Justice Department is supporting the law's passage last month, As an expression of congressional concern over the deficit the budget law is widely welcomed. But many fear that good and that the missing ingredient for a budget breakthrough remains a willingness by President Reagan to sacrifice some of his political goals.

Black horse for Bootle

of nails."

Lloyds Bank may not have acquired a whole firm of stockbrokers for its foray into the new world of securities trading, but in Roger Bootle, it has recruited one of the better known economists in the broking fraternity.

Bootle has made a name as one of the authorties on index-linked gilts, and for being one of the few stockbroking economists to give his political loyalties to the SDP/Liberal Alliance.

It's ms live's ambition to be just that. It really is.

Ms Kerr: "I am thrilled that our complaint has made someone very happy who is a friend of yours."

Though MPs seemed to have other things on their mind—one one very happy who is a friend of yours."

HAC: "It will make an old man very happy to know that he has been propositiond."

Alliance.

Before his spell at CapelCure, he worked for the CBI
and lectured on economics at Oxford. But he also worked for a time as a money market dealer with Citibank, and suggests that a combination of this argeriance with academic

Men and Matters



recruited one of the better known economists in the broking fraternity.

Much to the chagrin of Capel-Cure Myers, his employers for the past four and a half years, Bootle, 33, is to become chief economist of Lloyds Merchant Bank. He will be paying particular attention to the gilts market, where Lloyds is to be one of the new primary market makers. He will, therefore, be working separately from Lloyds' economic adviser, Christopher Johnson, though some interplay is expected.

Bootle has made a name as interplay is expected.

made by an Asarco attorney to Lord Grade, Hitchcockian head of Embassy Communications.

"Lord Grade, Hitchcockian head of Embassy Communications.

"Lord Grade, Said Peggy of excitement throughout Australia's financial Establishment. Lord Grade himself is philosophical about the comparison with Hollywood's past master of the mangled quotation. "I knew Sam Goldwyn and admired him. He was a brilliant man. But I have never tried to be absolutely delighted because it's his life's ambittion to be just that It really is.

Political views

Swann noted—peers and permanent secretaries turned out in force yesterday for a Lord's reception for the Rt Hon Jim Hacker, MP, and his sparring partner Sir Humphrey Appleby, of Yes, Prime Minister, fame.

The reception coincided with The reception coincided with the news that the first programme of the new series attracted an audience of 13.9m—even more, I should imagine, than have been tuning in to the real life No, Prime Minister drama starring Michael Heseltine and Leon Brittan.

Change pending

has already met with union pro-tests and has yet to be debated

in the Commons.
The Government's intention is that the office should in

future pay its way. No longer will it mainly be a repository of inventions and inventors, trade marks and designs; in-stead, it will be expected to charge fees for a whole range In particular, it is likely to expand its potential as an information exchange. Lone, would-be ploneers as well as the R&D departments of major multinationals will be better able to check before going public with their ideas that they are not barking up some-one else's tree.

Cooper, a long-time DTI man is a scientist who was pre-viously director of the depart-ment's Warren Spring labora-tory in Stevenage, itself once a candidate for privatisation. He has also had experience in the DTI's finance and economic appraisal section and will bring this knowledge to bear on the patent office's search for new custom and funds.

Cash in hand

Trafalgar House chairman, Sir Nigel Broackes, despite his pre-occupation with one of the Channel fixed-link projects, assured a shareholder at yesterassired a shall-motel at yester-day's annual meeting that the company's £167m cash was tucked away in a safe place. "It's not in a sack, it's not in a sock," he drawled. "It's in the bank."

Bread lines

Philip Cooper, comptrollergeneral of the Patent Office,
slipped into his job almost unnoticed two weeks ago but is
likely to adopt a much higher
profile in the months ahead.
Monday's announcement that
the office — established in 1852
but with antecedents dating
back to Tudor times — is to
become independent of the Department of Trade and Industry
has already met with union pro-

Observer

SHOW US A DEAL-

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ECONOMIC VIEWPOINT

No longer crying wolf

By Samuel Brittan

Ministers are meeting in London this weekend at a time when it is no longer fashionable to "cry wolf" about the world economy, whatever parochial political problems may exist in London.

give or take 20 per cent against the mark and the yen. The US internal demand in the lead, without constant Government is limited by the international desire to prevent a bounceback in the course of 1986 and then the course of 1986 and the course of THE GROUP of Five Finance give or take 20 per cent against Ministers are meeting in Lon- the mark and the yen. The US

but without getting out of con-trol, since the New York meet-ing in the Plaza on September 22 last year. The US no longer 22 last year. The US no longer centage point as a proportion practises or prescribes benign of GNP in 1986. Looking fur-

growth and inflation control in reduction. most countries. The world is— touch wood—living with the less developed country debt

Moreover, despite the refusal of European and Japanese Governments to undertake "Co-ordinated fiscal reflation," their growth achievements and prospects—although not enough to break the back of the stagfistion problem—suggest at least continuing recovery.

It would be too good to be

true to suggest that the main international worries are the impact of oil and UK wages on sterling, or the confidence effects of the Thatcher-Heseltine

My view is that it is just the US point of view, they comforting that deficit reduction outsided that one should look for signs of trouble; and—rest assured—this article will not conclude without its fair quota the US point of view, they comforting that deficit reduction outside the US has almost stimulus can be expected run its course, and little fursion the dollar. If the dollar falls without a sufficient decline in the budget deficits.

Yet the letest OECD estimates the US budget deficit reduction outside the US has almost stimulus can be expected from the US budget deficit and (in his view) a still greater decline in the dollar. If the dollar falls without a sufficient decline in the budget deficit, two unpleasing possi-

But first one should examine why the cries of "wolf" have so far proved wrong. As far as the OECD countries are concerned, the now discredited diagnosis of "fading recovery" rested on two pillars.

One was a view that the US recovery would fade away, whether because of a change in fiscal policy, the effects of dollar over-valuation, or simply because the recovery was historically "old."

The second pillar was the view that the greater part of European growth was based on a stimulus from the US; and once that faded, it would be

The US budget deficit, both actual and structural, should decline by up to half a perneglect either of the dollar ther ahead, the Grammor its payments or budget Rudman Bill is, despite constieficits,

The falling trend of oil stacles, likely to put the US on rices is beneficial both to the path of long-term deficit

city, when wages or commodity price shocks have stimulated inflation, or when too-easy money has led to an inventory build-up, followed by destocking. (Some of these examples would make a Friedmanite monetarist's hair stand on end.)

It is arguable that fiscal tightening to reduce structural bud-get deficits in Europe can be re-Modestly satisfactory though or as a "shock" with demand-these developments are from reducing effects. If so, it is

E	stimates and foreca	ests	
	% change 1984	1985	1986
Real GNP			
US	6.8	21	24
Japan	5.8	5	31
Germany	2.7	21	31
OECD Europe	2.4	21	21/2
Total OECD	A.9	2}	21
	Source: OECD Economi	c Ouziook, Deces	nber 1985

OECD GROWTH

Yet the latest OECD esti-direction.
mates and forecasts do not This is

show any sign of fading world recovery. Some reasons for the discomfiture of the alarmists were set out in a speech by the British Chancellor to the Foreign Bankers' Association on December 5, to which little attention was drawn, but which did reveal the development of post-Keynesian thinking among Treasury strategists.

The speech challenged the relevance of the question: "Where will the growth come from now?" It maintained that if "responsible" financial policies were followed in major countries, there would be plenty of

This is not the place to dis-cuss exact interpretations of the "responsible" financial policies which loom so large in the New Treasury View. But I would supplement it by the Kudlow doctrine. (Lawrence Kudlow is a former adviser to the US Budget Director, whose Foxhall Review is indispensable to anyone following the US

According to Kudlow, conventional forecasters badly neglect right about the US budget the effects of "financial asset deficit, it still may not fall fast revaluation" on both consumer spending and investment. By this he means the large stock and bond market rallies, both in the US and elsewhere, which have greatly boosted financial

been not so much the very moderate US exchange market intervention. More relevant is its holding of the federal funds rate within spitting distance of 8 per cent, despite an over-shoot of both the original 1985 monetary ranges and the rebased ranges introduced in

mid year.

It is this element of Fed stimulus behind the US upturn and dollar decline that leads us to the first worry about the world economy. As Stephen Marris rightly says on the first page of his indispensable Deficits and the Dollar (Institute for International Economics, Washington, 1985); the phenomenal rise in the dollar phenomenal rise in the dollar from 1980 to 1985 was due to "a strong rise in investment demand relative to domestic savings in the US, largely because of a massive increase in the structural budget deficit" at a time when there were ample excessive savings in the rest of the world.

A cure for the US imbalance, as Marris says, requires both a sharp cut in the US budget deficit and (in his view) a still greater decline in the dollar. If the dollar falls without a

deficit, two unpleasing possi-bilities appear. One is a very sharp rise in US interest rates sufficient to choke off the sur-plus of domestic investment over savings. The other is an increase in the inflation rate which would make the dollar depreciation partly nominal rather than real. (Kudlow expects 5 to 6 per cent US inflation by year end in any

Even if the optimists are enough to prevent some pleasant combination of the above possibilities. None of this means that Mr Paul Volcker, the Fed chairman,

difficult to see where the growth would come from unless countries outside the US applied a fiscal stimulus.

The reality has been very different Taking as a base the average of the last quarter of 1984 and the first quarer of 1985, the dollar has fallen by

productive capacity, with some from the way it has shied away to decouple international times external and sometimes from a cut in the discount rate. interest rates from American ones and perhaps even engage in the multilateral interest rate disarmament the Japanese Prime Minister advocates.

> But this is certainly not feasible now when US and Group of Five fears are equally balanced between concern about a possible free fall in the dollar and concern to prevent an undesirable rebound to earlier levels.

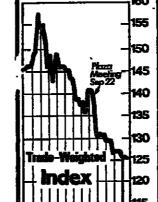
Marris (and Volcker too) would like fiscal stimulation outside the US, led by Japan and Germany, to take some of the pressure off the US balance of payments as well as under-pinning world growth. But Marris admits that, had other countries followed the US lead countries followed the US lead in deficit finance in 1981-85, it would have led quite soon to a worldwide inflationary boom— although many economists were urging such a course, even while the structural budget deficit in the US was still rising. My own judgment is that there is a strong enough case for some temporary Japanese and German fiscal relaxation, if the two Governments desire it, but not such a strong case as to justify other countries trying to impose it on them.

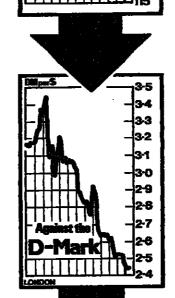
In the long run—in which most of us are still alive—large worldwide budget deficits mean lower savings and less growth. The eventual destination for excess Japanese savings should lie neither in the US, nor in domestic public works forced upon Japan by the Group of Five but in newly industrialised countries, especially in the Pacific basin. Finally, there is a great

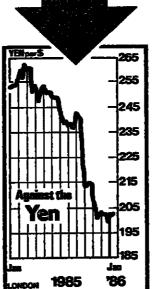
opportunity, which could prove a landmine if mishandled: namely the possibility of a really sharp fall in the oil price. On most economic models an oil price fall of 20 per cent would reduce inflation by 1 to 1½ per cent per annum on impact, and raise growth by over ½ per cent in the whole OECD area, with some possibility of a virtuous circle if governments maintain growth of nominal demand.

But, of course, there will be many casualties among countries, companies and banks involved in oil production; and the art of policy will be to prevent these casualties from contaminating the world financial system while not discourag-ing the highly desirable break-up of the Opec cartel.

DOLLAR







SOVIET FOREIGN POLICY

Moscow's new self-confidence

BY PATRICK COCKBURN

the US Star Wars programme which Moscow wants to ban. Soviet spokesmen and Press blame the bleak prospects for progress on sabotage by the right wing in Washington, notably by Mr Caspar Wein-

equality with the US in the tremin. Its foreign policy was progressively confined to not seen under President a narrow focus on relations Brezhnev. The Communist Party daily Pravda says, on the contrary, that the only real change internationally is a more interventionist US foreign By the early 1980s the effects policy which it terms "new globalism." It described this last week as a new "assertion of the US right to intervene on global scale in the affairs of sovereign states, wage unde-clared wars and covert and overt subversion against them."

Surprise

Yet the biggest surprise in the Libyan crists, so far, is not President Reagan's dispatch of the Sixth Fleet to sail off the Libyan coastline or his economic blockade but the strength of the Soviet reaction, significantly stronger than in 1981 when two Libyan jets were shot down by US aircraft.

Nor is this the only sign that the Soviet Union is actively reentering Middle East politics in a way not seen since President Sadat of Egypt switched alliances from Moscow to Washington in 1974. Later next month Mr Gorbachev will try to reconcile Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, and President Assad of Syria, two of its key allies in the Middle East, when they pay separate visits to Moscow.

Soviet Far East policy is also being conducted with more vigour this week. Mr Eduard this may turn out to be as Shevardnadze, Soviet Foreign destabilising as the expansion

THE SOVIET UNION and the years. Mr Gromyko visit(?) US return to the disarmament negotiations in Geneva today with no expectation of an immediate breakthrough on the limitation of nuclear arsenals or nadze and the Chinese foreign minister. minister. The extent of the change in

Soviet foreign policy is masked by exaggerations of its past vigour. President Reagan spent much of his first four years in right wing in Washington, notably by Mr Caspar Weinberger, Defence Secretary, whom they see as a sworn enemy of better relations between the super powers.

But the most significant change in the foreign policy of the super powers since the Geneva summit is the Soviet union's assertion of visible a leadership crisis paralysed the Kremlin. Its foreign policy Middle East and Asia in a way was progressively confined to

By the early 1980s the effects

of this were evident around the world. Angola, Ethlopia and Afghanistan did not quite com-Afghanistan did not quite compensate for eviction from Egypt. When Israel invaded Lebanon in 1982 it was item number three on Moscow radio news. The following year Soviet television showed a large picture of the Spanish City of Granada when the US invaded the Caribbean island of Grenada.

The military parity Moscow had achieved with the deploy-ment of ICBMs in the late 1960s was difficult to translate into political power. The almost daily refrain of the old Soviet leadership that they had achieved political parity with the US revealed an inner lack of assurance. It contrasts with the confidence of their suc-cessors in the Soviet Union's position as a super power and their right to visible equality with the US in world affairs. Behind the flurry of visits by

Mr Gorbachev and Mr Shevardnadze to foreign capitals lies this new assertion of political parity by the Soviet Union. It the balance of power in the world. The consequences of Minister, started a five-day of nuclear arsenals which US visit to Japan, the first by a and Soviet negotiators in Soviet foreign minister for 10 Geneva are seeking to limit.

Peking awards

the green light

Plessey has just signed a contract with the Beijing Foreign Trade Corporation for

an urban traffic control system

for the east district of Beijing

The contract is a pilot system to upgrade 39 traffic junctions with the unique

traffic-responsive control strategy know as SCOOT (Split Cycle Offset Optimisa-

Plessey

(Peking).

foreign leaders to Moscow and

Inquiry into Llovd's

Sir,—Unless Mr Brittan's inquiry into Lloyd's headed by Sir Patrick Neill (January 15) has the right members and terms of reference it could just look like a way of avoiding discussion about the market during the passage of the Financial Services Bill.

The inquiry team should not be mainly composed of Lloyd's members or people deriving fees from the market. The terms of reference should, be drawn so that they include. among other things, a review of: the size, and composition of the Lloyd's Council, as well as the roles of all its officers; whether it is desirable to retain the one agent — one class of business rule. This rule restricts every name's choice of agent and syndicates; and means by which Lloyd's members might enjoy all those rights and remedies available to

At least, names should have the right to requisition a meeting of all a syndicate's members, at which resolutions could be put and voted on in person or by proxy; such resolutions once passed would bind all members of the syndicate. Matters as diverse as the appointment of auditors, to the fixing of the managing agent's remuneration could be covered John Rew.

China and **GATT**

A15 Albany, Piccadilly, W1.

From Mr E. McGovern
Sir,—Your report (January
13) of China's intention to
rejoin the GATT overtooks one consideration which the chinese take quite seriously. From their point of view although the Nationalist Government was entitled to join the GATT in 1948, by the time of its purported with-drawal in 1950 it was no longer the lawful Government of China, having lost that status with its departure for Taiwan. Consequently in their eyes the present renewal of interest in GATT constitutes a reactivation rather than renewal of mem-

In other circumstances existing GATT members might be prepared to indulge Chinese feelings over what might appear a mere legal technicality. It is possible, however, that such an interpretation would have significant ramifications in US law. Furthermore, the entry of China into the CATT is viewed with considerable doubts by some developed countries, and they will be to the consequences. The most elsewhere.

The most elsewhere.

When a deputation from ECIF last year saw Mr Lamont, potential lies for energy saving, the then Minister of State for 18 Queen Anne's Gate, SW1.

Letters to the Editor

For both these reasons it seems likely that China will be pressed into accepting a proper accession protocol. 18, Victoria Road, Topsham, Exeter.

Channel links

From the Editor. Freight Guide

Sir, - Your correspondents' article (January 13) on James Sherwood's bid to build the fixed link across the Channel omits to mention one of the aces in Mr Sherwood's hand.
His threat last October to close down Sealink operations

at Dover should his scheme not be chosen must be particularly worying to Mrs Thatcher's Government since it was it which sold Sealink to Mr Sherwood.

Sherwood.

While the vote-winning capacity of the fixed link is in some doubt anyway it would certainly be highly embarrassing if a newly-privatised company is forced to make 2,500 of its seamen redundant because it is unable to compete with a scheme backed by the Government which returned it to the private backed by the Government which returned it to the private sector in the first place.

Mr Sherwood may, of course, choose not to go ahead with the closure should he fail to win the contract. The possibility that he will however must surely give the Government pause for thought.

Simon Bottery,

Simon Bottery, The Ship Press, 230-234 Long Lone SE1.

improvements with little regard to the consequences. The most notable casualty was the double

determined to ensure that a particularly with the recent changes in window technology which have improved the thermal effectiveness significantly.

Rather than rhetoric, a more

meaningful indication of the Government's commitment would be positive incentives to house-holders of the sort that the Irish Government has proved will work. Until such campaigns as conservation of energy are backed up by hard cash the rhetoric to "save it" will simply be met by a double glazed look from the electorate from the electorate. D. Heenan Ashchurch.

Tewkesbury, Glos. Discriminating

support From the Director-General, Federation

Sir,-Underlying everything almost in your survey on Invest-ing in Britain (January 8) is the unspoken assumption that all inward investment is a Good Thing, justifying every sort of Government support.

This federation of course does not object to foreign newcomers setting up here with their own money, nor or inward their own money.

their own money; nor to invard investors receiving "auto-matic" government assistance (such as regional development grants) which is equally available to companies already operating here. And we accept that where important technology not otherwise available is involved, or established com-panies are unable or unwilling to meet an important market demand, government support of investment by incoming foreign companies may well be in the national interest But where selective assis-

But where selective assistance is given to an inward investor to set up manufacture of products which could equally well be supplied by established manufacturers, then there is a strong prima the greatest example of the Government's lack of commitment to energy conservation was experience of selective assistance is given to an inward investor to set up manufacture of products which could equally well be supplied by established manufacturers, then there is a strong prima facie case that the displacement effect on existing firms and jobs will equal or exceed the benefits of the new investor to set up manufacture of products which could equally well be supplied by established manufacturers, then there is a strong prima facie case that the displacement effect on existing firms and jobs will equal or exceed the benefits of the new investor to set up manufacture of products which could equally well be supplied by established manufacturers, then there is a strong prima facie case that the displacement effect on existing firms and jobs will equal or exceed the benefits of the new investor. energy conservation was ex-hibited in the 1984 Budget when VAT was imposed on home taxpayers' money which could taxpayers' money which could have been beneficially applied elsewhere.

tive financial assistance was provided for inward investment only when this was in the overall, long term, national economic interest, and that an important factor in assessing this was the likely effect of a proposed investment on estab-lished businesses.

We can only hope that Mr Lamont's successor, and the new Secretary of State, whose passionate belief in regional policy was mentioned in your survey, also accept that selec-tive support of inward investment must be discriminating. Richard H, W. Bullock. 7-8 Savile Row, W1.

Keep Sunday special

From the Deputy Director, National Consumer Council

Sir,—Your report (January 10) quotes the "Keep Sunday special" campaign as saying "there are a number of feasible and enforceable ways to main-tain regulations on Sunday

a system of draconian fines which would be levied either on each illegal transaction or on weekly turnover. The maximum fine at present is £1,000, so a shopkeeper who stayed open a quarter of an hour extra to serve three customers spending a pound each could face fines of £3,000. A store selling forbidden items to 20 customers could be fined £20,000. Such penalties can lead only to bankruptcies and job losses. The DIY retailers' federation makes the point very strongly that Sunday trading, once lost, cannot always be re-couped at other times of the

Your report also quotes Dr Schulter as saying that the campaign to reform shop hours is promoted by "a group of just half a dozen multiple retailers who expect to gain most out of deregulation." This is what Winston Churchill would have tude. The campaign to get rid of our ridiculous restrictions on shops' freedom to open was mounted for many years largely And why? Because we know from opinion poll after opinion poll that this is what most people

"Keep Sunday special" is careful not to mention the experience of Scotland, where shops have for many years been free to open on Sundays. There has been no evidence of higher prices, no extra burden on the rates, and no bad effect on the traditional day of rest. By all means, let's keep Sunday special.

Plessey in 'buy-British'

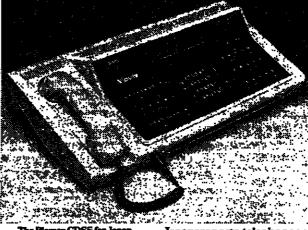
Japanese breakthrough

By clinching a high-technology deal with Nitsuko - one of Japan's leading telecommications equipment suppliers -Plessey has scored another major success for Britain's export drive.
Under a new agreement,

Plessey will supply the CDSS modern office switchboard (marketed in the UK as the Monarch) to Nitsuko for sale in the Japanese home market. Says Plessey Network and Office Systems chief execu-

tive, Ian Maclean: 'Selling CDSS in Japan is a tremendous breakthrough for British technology. The CDSS system which we make in Beeston has already been sold to 30 countries, and this latest success confirms its worldclass rating?

Nitsuko have stated that they chose the Piessey CDSS because it gave them an excellent opportunity to present their Japanese customers with a world-proven high techno-logy system. They had every confidence the CDSS would sell well in Japan - one of the



ADVERTISEMENT.

The Plessey CDSS for Janan largest and most competitive telegraph administration. markets anywhere.

FIRST FOR BRITAIN This breakthrough in Japan by Plessey marks the first occasiona British digital switching system has been approved for sale there. It involved gaining vital type approval from Nippon Telephone and Telegraph (NTT) - the

Japanese posts, telephone and Plessey has manufactured

more digital telephone systems for business than any other British company and is accustomed to making intricate but essential changes to its products for different So, naturally, the CDSS for

Nitsuko has Japanese characters on its console.

Watchman radar systems for China and Oman

Plessey has now been awarded two further significant contracts for its Watchman radar system — against international competition. and reliable detection of the It will supply the Sultan of smallest targets, even in the

Oman's Air Force, and also the most adverse weather Xiamen International Airport This high performance in in Fujian Province, China. In conditions such as heavy rain addition to Watchman radar is particularly important at and Watchman display Xiamens which is in an area systems, both orders incor-porate Cossor secondary subject to typhoons. For both contracts, data surveillance radar. will be presented on Watchman display consoles

UNIQUE IN ITS CLASS which each have a dedicated computer to provide opti-In air traffic control, Plessey Watchman radar is unique in its class. It's the first radar

to feature a travelling wave tube transmitter, which, when combined with Plessey adaptive moving target detector signal processing and advanc-ed pulse compression tech-



mum system availability and operational flexibility. As well as these contract

successes in China and Oman - and in other foreign markets - Plessey Watchman has already been selected by the Royal Air Force as the replacement radar at all its airfields.

ed pulse compression techniques, ensures consistent **Technology is our business.** fully in a countries.

tion Technique). TRAINING INCLUDED Plessey will supply, install and commission hardware and software for the two-year project, as well as training Beijing's traffic engineers. The system will comprise 39 Plessey Type 200 intersection controllers, some 250 detectors, and sophisticated The system will comprise

computer management, with operator peripherals and wallmap displays. In the UK, Plessey installed more computer-controlled

road traffic systems in 1985 than any other company.

Its Beijing SCOOT contract—the first outside a British

territory - will recognise that apart from increasing motor traffic, five million bicycles use the Chinese capital's

Plessey leads chip growth in Europe

With its microchips, Plessey achieved greater sales percentage growth in Europe in 1985 than any other manufacturer in the world.

According to Dataquest the independent specialists in electronics market research -Plessey integrated circuit sales increased by 28.89%. The next fastest growing manufacturer was Fujitsu, whose European revenue was up by 22%, followed by Thomson, Signetics and ITT.

Plessey estimates that a fifth of its microchips are sold to its own companies for application in Plessey systems. The other 80% competes successfully in more than fifteen

FINANCIAL TIMES

Thursday January 16 1986

COMMITMENT That's BTR

TREASURY SCHEME TO CUT DEFENCE EXPENDITURE AND SPEED UP ASSET SALES

UK spending squeeze planned

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT, IN LONDON

THE BRITISH Government yesterday confirmed its plans for deep cuts in defence expenditure, a squeeze on social security outlays and an accelerated programme of assets sales in order to hold public spending roughly constant in real terms until 1988-89.

The plans, published in the Treasury's annual Public Spending White Paper (policy document) en-visage that inflation-adjusted spending by central and local gov-ernment in the current financial year will show the first fall since the Government took office.

From now until 1988-89, outlays are projected to rise more or less with price increases, although if as-set sales are excluded from the calculations there is a small real

Introducing the plans at a press conference yesterday, Mr John MacGregor, chief secretary to the Treasury, said he was confident that spending in 1985-86 would not overshoot its £134.2bn (\$193.3bn)

target.
The projections for the next three made in improving efficiency to segives good grounds for thinking dismissed."

BY ANTHONY ROBINSON IN JOHANNESBURG

TROOPS AND armoured cars of

the Lesotho para-military force yes-

terday surrounded the government

offices housing Prime Minister

Chief Leabua Jonathan and other

ministers. Reports of a coup to top-

ple the Government, however, were

denied by Mr Desmond Sixishe, the

ital, said a convoy of 20 military ve-

hicles arrived outside the modern

building but left ministers at their

photographer in the capital report-

ed hearing gunfire but the govern-

ling, the British High Commisioner,

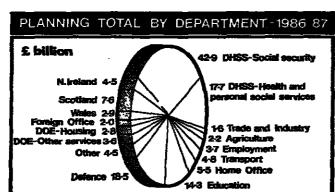
armed troops around the govern-

ment complex, said that otherwise

Correspondents and a Reuters

Eyewitnesses in Maseru, the can-

Foreign Minister.



that actual spending will be con-tained within the levels now planned," he said.

The spending plans drew fierce criticism, however, from Mr Roy Hattersley, the Labour Party's shadow Chancellor of the Exchequer. He said they showed "callous disregard for the unemployed" and

wilful neglect of Britain's future." Mr Hattersley said that enviyears, he added, were entirely realistic and he emphasised the progress that the Government had calls from both industry and trade unions for more investment in incure better value for money. "This frastructure had been "arrogantly

The latest developments in Ma-

seru follow two weeks of sustained

pressure on the capital by the

South African authorities, who on

January 1 instituted tight border controls on all traffic entering and

Lesotho, a small, mountainous

kingdom of 1.4m inhabitants, is to-tally surrounded by South Africa and the Transkei homeland. It de-

pends upon South Africa for all its

territory, including oil, which is shipped in by rail, and other

Its main source of income is the

repatriated earnings of the 139,000

many other workers employed le-

Lesotho were reported to be "out of

Telephone communications with

Military surrounds Lesotho

Government headquarters

leaving the country.

"Most significant of all, this white paper shows that the Government's oposed tax cuts are now wholly assets such as British Gas." he

adden.
The Building Employers' Confederation expressed "deep disappointment" with the Government's capital spending plans. "This is a sad reflection of spending priorities in the face of overrible priorities in the face of overrible priorities and present the face of overrible priorities and present the face of overrible priorities and present the face of overrible priorities and the face of the the face of overwhelming evidence of urgent building needs in Britain today." it said.

The Treasury's plans envisage re-ceipts from asset sales of £4.4bn in

South African pressure on Leso-

tho is aimed at forcing the Govern-

ment to accept a security treaty,

similar to those with Mozambique

and Swaziland, that would effec-

tively prevent the African National

Congress (ANC) from using its ter-ritory as a transit route or haven.

This week it bowed to South Afri-

can pressure and agreed to extend

the existing liaison committee be-

tween the two countries and partici-

pate in a special security sub-

Talks between the two sides are

expected to take place shortly

aimed at fleshing out the agree-ment and removal of the blockade,

which has led to queues over 2 km

long on the main approach roads

and a severe shortage of oil, medi-

Sir Patrick Moberly, the British

Ambassador to South Africa, yes-

puty Foreign Minister, in Cape

cines, food and other essentials.

under official accounting conventions are regarded as negative spending rather than revenues. The £139.1bn official spending total which the white paper confirms for 1988-87 represents no change in real terms from the current year if

inflation turns out at 4.5 per cent as the Government expects.

Actual spending, however, might be more than 1 per cent higher in real terms because this year's figures have been distorted by the after-effects of the miners' strike

and next year's will be depressed by The detailed spending figures show that defence, which up to now had been shielded from the spending axe, will find its budget cut by 6.8 per cent over the three-year period to 1988-89.

In the social services sector only the National Health Service (NHS) has been exempted from real cuts over the next three years. Charges for items such as prescriptions, spectacles and dental care are likely to rise by more than inflation.

NHS spending is scheduled to rise by 2 per cent in real terms next year and by 1.3 and 1.2 per cent re-spectively over the following two Details, Pages 10, 11; Editorial

LESOTHO

Town to call for a lifting of the

blockade and dialogue between the

two sides. This was in response to an appeal by Chief Jonathan to the British and US governments.

Maseru have been tense for months

and reached a low point on Decem-

ber 19 when a commando force crossed the border and killed six

South African refugees, of whom five were members of the ANC, and

South Africa has denied respon-

three Lesotho citizens.

Heseltine says London

Relations between Pretoria and

Lloyd's accused of pushing up US premiums

LLOYD's of London is playing a funny money game in the US in-surance market, Mr Ralph Nader, the US consumer rights crusader, said in London yesterday.

Lloyd's market, which stunned Lloyd's officials by its ferocity, Mr Nader said Lloyd's was deliberately pushing up insurance prémiums in the US and manipulating the US insurance market

"What we are seeing is a funnymoney game," he said. "It is illus-trated by the unwritten motto of Lloyd's underwriters that 'there is no such thing as a bad risk - there is only a had rate."

Mr Nader was in London with Mr Robert Hunter, president of the USbased National Insurance Consum er Organisation (Nico). He said ac-tions by Lloyd's in the US were arbitrarily driving insurance prices to excessive levels "and eliminating coverage of risks in an attempt to reduce the rights of insured people to sue manufacturers and other negligent defendants to the lowest Western European common denom-

That was "highly provocative and highly insulting" to the US.
Nico wants to see greater regula

tion of Lloyd's and other foreign reinsurance companies, the groups that accept the risks insurance companies cannot carry on their own. It wants an independent insurance market in the US. Mr Hunter said Lloyd's was

largely responsible for the current crisis in the US insurance market. which had forced up premiums so much that many companies were being forced out of business and people were increasingly finding it difficult to get accident cover. Mr Nader said Lloyd's was heavy-

handed in its dealings in the US. "What we are seeing is extraterritorial imperialism in the US which is offensive beyond the power of words to describe." Nico has already filed a com-

plaint with the US Justice Department over dealings by Lloyd's and had been told that the situation was being examined. Mr Nader said he would be passing over documents and holding discussions with the British opposition Labour Party's trade spokesmen. The initiative night become a political issue in

Lloyd's retaliated at the allega-tions last night. Officials said the Federal Trade Commission had confirmed that Lloyd's was not be-

ing investigated. The dispute between Lloyd's and the consumer organisation has been provoked by recent dramatic

rises in insurance premiums.

All insurers, including Idoyd's, have been facing large claims on liability business, which provides cover to companies against the financial consequences of large acnancial consequences of legal ac-tion by employees, and damages arising from legal action because of

defective products. In the US yesterday, Mr Murray Lawrence, deputy chairman of Lloyd's, said it had no intention of boycotting US business. Insurance business from the US accounts for around 70 per cent of Lloyd's total premium income of £3bn.

Underwriters were struggling long and hard on liability business to quote terms that would give their clients something they could live with and at the same time allow underwriters to justify their decision to continue writing such business, which in recent years had produced heavy losses, he said.

Bonn minister

tration and Mr Paul Volcker, the

Federal Reserve Board chairman.
Mr Volcker is thought to be concerned that any precipate cut in US interest rates would reduce pressure on the Administration to tackle the budget deficit and would run the risk of provoking an uncon-trolled slide in the dollar's value.

The European officials, however, acknowledged that any specific US proposals would have to be carefulweek forced to raise interest rates.

Mr Bangemann's statement yes

THE LEX COLUMN

Fast forward for Dixons

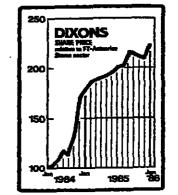
Yesterday's statement on interna-tional rates by the West German Economics Minister was in the best tradition of public arm-twisting. Even if the US Administration realy is committed to bringing down dollar rates, as Mr Bangemann sug-gests, there is no evidence that this enthusiasm is shared by Mr. Paul Volcker. And it is still the Federal Reserve Board that wears the monetary trousers.

Dixons

Only the grumpiest bear of oil prices and interest rates could fail to warm to profits growth in retailing of 140 per cent; but Dixons' quite astonishing set of interim figures, showing earnings growth of 43 per cent on £30m of pre-tax profit for a half-year that did not include Christens seles gained rather Christmas sales, gained rather modest reward for beating even the most sanguine expectations. The share price, up over 30p at one stage, fell back to close 23p up at 918p. It is, at least, pleasing symmetry that the three-for-one scrip reestablishes the Dixons price at the exact level from which it launched its bid for Currys 15 months ago.

The dramatic re-rating of Dixons in the course of the bid arose from the belief that one of the ablest managements in UK retailing could work magic for Currys. What was not clear then was the extent to which Currys' relative weaknesses - in financial and property management, marketing, opportunity buying and design - corresponded ex-actly to Dixons' strengths. And what is only just now emerging is that parallel retailing, in the sense clear to the clothing theorists of the Burton kidney, has even greater potential in the highly fragmented

Currys. But until Dixons produces statements less Garbo-like in their retitwo chains' target customers really and 22 per cent for Currys, is billow- at 152p. ing out of the shops on higher gross and net margins all round. Clearly there has been substantial gross margin improvement in Currys'



styling of the Currys' shops starts raising sales densities to the level

of Dixons Retail. The paying down of the debt as-sociated with the bid, itself an outstanding achievement, should see net gearing down to 20 per cent by the year-end; more pertinently, it should permit pre-tax profits for the year of comfortably over £70m after an excellent Christmas. That a business growing its earnings nearly four times faster than the market should enjoy a premium rating of only five points probably owes more to market vertigo than common sense; and little better than a market multiple for the year to spring 1987 is rather implausibly assum that consumer spending will fall apart just before a general election.

Trusthouse Forte

Trusthouse Forte shareholders in much the same way as it handles hotel guests. Surprises, nice or nasty, are to be avoided at all costs and customer satisfaction is ensured by regular electrical market where Dixons' increases in assets, earnings and chief opposition was, in effect, dividends. Yesterday's results for the year to October, showing a 19 per cent increase in pre-tax profits to £129.6m, were as wholesome as a cence, one can only assume that the THF steak. What they lacked was any real excitement and the marare separate; and that the volume ket, having digested the solid fare growth, at 15 per cent for Dixons on offer, left the shares unchanged

pected, given the rise in occupancy rates across the industry, and THF will come a year from now when re- has plenty of scope to push up rea- should be disclosed.

lised room rates and the portfolio is being gradually extended through the development of the Post House chain and the introduction of Little Chef Lodges. European hotels have rewarded heavy investment with a 64 per cent improvement in sterling profits, leaving the US hotel operation as the only laggard. THF is still too small in the US to enjoy economies of scale and generate brand loyalty, making North America the obvious area for aggressive growth. A sizable acquisition would at least add an exciting ingredient to the THF share price which, assuming all in pre-tax profits of £145m this year, looks correctly valued on a prospective multiple of just over 14 times.

Westland

The City's regulators can scarcely be blamed for taking a judiciously low profile with regard to the odd goings-on in Westland equity. The evidence from the West end of town is that anyone who comes into close proximity with the helicopter company stands to have his hat sliced off by a flying rotor blade. And, as far as can be judged, no one has yet contravened the letter of either the Takeover Code or the Companies

The recent share dealing in Westland is, however, unsatisfactory in several respects. The obligations of an institutional shareholder have always been stronger in the case of a reconstruction than in the event of a takeover, admittedly for the compelling reason that the alternative to co-operation is receivership. Yet those obligations continued to apply even in the case of Dunlop; shareholders for the most part backed the incumbent management until their board was able to reach agreement with BTR. Westland has now changed all that and, while the institutions need not feel guilty about selling their investment for far more than it is worth, the precedent is not a healthy one.

37.5

Nor is it desirable that the beneficial ownership of a substantial stake in the company should re-A strong improvement in THF's stake in the company should re-UK hotel division was only to be extraordinary meeting which is supposed to determine the company's brown goods through the introduction of Matsui - Dixons has a nice tracting higher margins. While the when revealed, have a bearing on line in japonaiserie for its own-volume growth will be nothing like the whole Westland story. To that label goods; but the real revolution so spectacular this year, the group extent, it is a material fact and

Gorbachev in move to extend N-test freeze

government complex around noon electricity, while all supplies and and forced civil servants out of the exports pass through South African

ment radio continued with its nor-mal programme and Mr Peter Ros-on South African mines and the

while confirming the presence of gally and illegally in the republic.

THE SOVIET UNION yesterday ex-other's territory will be halved so tended its freeze on nuclear tests by that both the US and the Soviet three months and produced a 15-Union will be reduced to 6,000 nuyear timetable for the complete clear warheads.
elimination of nuclear weapons,
writes Patrick Cockburn in Mosond five to seve

Mr Mikhail Gorbachev, the Soviet leader, in a statement timed to nuclear weapons with a range of up coincide with the reopening of the to 1,000 km. In the final stage be-Geneva disarmament negotiations with the US, today proposed "a nuclear powers would have begun step-by-step and consistent process to reduce their nuclear arsenals step-by-step and consistent process to reduce their nuclear arsenals of ridding the earth of nuclear and the US would have abandoned weapons."

Mr Gorbachev said he hoped to fence Initiative (star wars). break the dangerous trend wherebreak the dangerous trend whereby the momentum of the arms race

unilateral ban on Soviet nuclear weapons tests for six months last July which expired at the beginning of the year. President Ronald Reagan has consistently refused to join the nuclear test ban.

Mr Gorbachev said that the So-viet test ban could be further ex-tended if the US joined in.

tion of nuclear weapons consists of three stages. In the first five to eight years the number of nuclear weapons capable of reaching each test ban is new

This would be followed by a second five to seven-year stage from 1990 during which the US and the USSR would eliminate all tactical tween 1995 and 1999 all remaining President Reagan's Strategic De-

warned that such a limitation was is greater than the process of nego-only possible if "the US mutually renounce the development, testing In Washington, President Ronald and deployment of space strike Reagan welcomed Mr Gorbachov's weapons." This, agreed the super-proposals and said they would be studied closely by the US and its nation of all intermediate range allies.

The Soviet Union introduced a missiles, both ballistic and cruise, in Europe. Britain and France missiles, both ballistic and cruise. would agree not to increase their nuclear armaments.

By 1999 all nuclear weapons would be eliminated and verification that they were no longer de-ployed would be carried out by onsite technical teams, Mr Gorbachev

The Soviet proposal is consistent

The Soviet plan for the elimina- with the policy of Mr Gorbachev since he became leader of the Soviet Union last vear The three-month extension of the

tried to 'silence' Rome Continued from Page 1

Sir Geoffrey Howe, the Foreign ment's approach throughout had Secretary, to the British ambassa- been guided by the decision that no proposals. That followed Prime Minister Craxi's public support for the European consortium on the

Mr Heseltine further alleged that on December 22 a Downing Street official had tried to stop a broadcast by himself on a BBC radio programme. He said that he had agreed to broadcast only after he had learnt that Mr Brittan had done so despite the Cabinet's agreement the previous Thursday that there was to be no public state-

On several crucial points Mr Heseltine's version directly contradicted that of Mrs Thatcher, in particular over a series of meetings in

Mrs Thatcher had defended her record in the affair, arguing that allegations that the Government had not discussed the issues in sufficient depth or in a timely way nity to express their views.

dor in Rome asking him to tell national-interest considerations ex-Prime Minister Bettino Craxi that isted to require the mounting of a Westland was a private company public sector rescue bid and thereand that it was for shareholders to fore a solution could not be dictated decide on the relative merits of the to the company's directors and shareholders.

> She also claimed that the Government had been ready throughout to encourage the possibility of a Euro-pean solution, although Mr Hesel-tine claimed that this was being frustrated in December both by Mrs Thatcher and by Sir John Cuckney, the Westland chairman. The Conservatives have fallen to

third place in the latest Gallup poll. Mrs Thatcher's party, with 29.5 per cent, trailed the Social Democrat/ Liberal alliance with 35 per cent and Labour with 34 per cent. Bridget Bloom in London writes:
Mr George Younger, Britain's new
Defence Secretary, has been in
touch with key European defence

ministers to reassure them of his belief in the continuing importance of defence collaboration despite the political crisis in the UK over the Westland affair. were absurd. She listed nine sepa-rate occasions when there were col-fice for a week, is endeavouring to

lective discussions and said minis-ters had been given ample opportu-ity to express their views.

adopt a low profile over the specific issues which last week provoked the dramatic resignation of Mr Mi-Mrs Thatcher said the Govern- chael Heseltine, his predecessor.

sheet risks into a capital adequacy

The regulators' concern has also

been heightened by the deteriora-tion in the quality of many banks' loan portfolios, evidenced by soar-ing loan write-offs and the substan-tial increase in bank non-perform-

In order to meet the existing 6

only just begun to subside.

fuels interest rate hopes Continued from Page 1

The West German Government

has also explicitly rejected an inter-est rate pact. One senior official described it last week and a "complete non-starter".

ly considered. Britain, which has found its financial markets buffeted by falling oil prices and was last might also want to benefit from the psychological impact on financial markets of such discussions.

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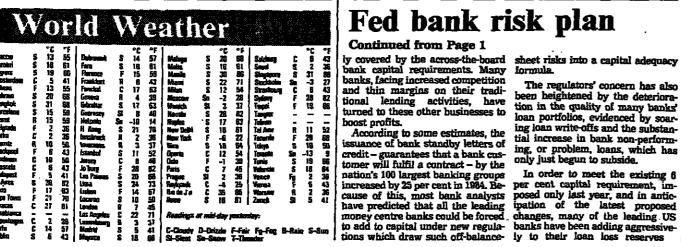
Odgers and Co. are Management Consultants Odgers and Co. are Management Consultants specialising in executive recruitment. We are currently extending our contacts with executives of outstanding ability and achievement in all fields of city activities, and in particular with specialists in Corporate Finance, Fund Management and International Capital Markets. We would like to hear from people who feel that in developing their careers over the next few years, they should not rule out the possibility of moving to a bigger job in another organisation.

As a first step, please write giving a brief summary of your background and experience to Eve Wernly.

Any approach will be treated in the very strictest confidence.



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In the first instance, please contact Anna Robson at the Investment Division, 39-41 Parker Street, London WC2B 51.H. Telephone 01-404 5751. Strictest

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Why executive demand boom may be finished

BY MICHAEL DIXON

rries at the moment, I dare-		1	985	1	984	1	983	19	982	75	78 î
y it might feel uneasy about e figures in the table along-	Type of	Posts adver-			Change from		Change from		Change from	Posts (
le. They show how the lited Kingdom executive-	work	tised	1984	tised	1983 %	tised	1982	tised	1981 %	tised	1980
ployment market has moved	R & D	6,574	—1ŏ.5	7.457	+ 3.7	7.18 9	+49.6	4,805	+77.3	2,710	+12
er the past five years, as	Marketing	6,471	5.1	6,822	+ 6.5	6,407	+19,9	5,343	+38.6	3,855	+ 8
asured by the Hay-MSL con-	Production	7,836	+ 1.5	6,937	+14.8	6,039	+49.3	4,045	+39.4	2,902	— 2
tancy's quarterly counts of	Accounting	6,721	+124	5,978	+13.8	5,254	+18.1	4,447	+11.7	3,980	+ (
nior jobs advertised in lead-	Computing	4,337	÷ 7.4	4,040	+34.8	2,996	+57.6	1,976	+65.1	1,197	—2 0
British journals.	General mgt	1,336	+ 2.0	1,310	+ 26	1,277	+ 2.5	1,246	+67.7	742	
/ -	Personnel	962	~ 6.3	1,027	+14.9	894	+35.7	65 9	+41.7	465	~37
Reading down from the top	Others	6,602	+14.6	5,759	+42.9	4,030	+35.4	2,976	+ 1.1	2,944	<u> </u>
table shows, for each year, w many posts were adver-	Total	40,139	+ 21	39,324	+15.4	34,086	+33,7	25,497	+35.7	18,795	_ 1
ed for each of eight broad	Jan-March	11,624	+ 9.3	10,637	+16.9	9,108	+37.5	6,617	+42.1	4,658	-2(
ups of staff and by what	April-June	10,412	+ 3.8	10,034	+20.3	8,340	+49.2	5,590	+18.0	4,738	– !
centage demand for them	July-Sept	9,507	- 26	9,760	+20.7	8,086	+18.5	6,822	+54.6	4,413	+ (
s up or down by comparison	Oct-Dec	8,596	— 3.3	8,893	+ 3.9	8,560	+32.3	6,468	+29.7	4,986	+2

September, and October to December.

sales; production; accounting and finance; computing: general management; personnel; and the cafeh-all category "others." It includes all senior staff not fitting the previous seven descriptions, such as buyers, company lawyers, economists and assorted internal consultants.

Sandwiched between the thin rules about two-thirds of the way down the table, we have each year's total covering all types of managers and key specialists. The four lines at the bottom show the number of posts advertised and changes in demand for each of the quarterly periods January to March, April to June, July to Despite the worsening shortage of jobs for other kinds of workers, the market for executive-types has grown every year from 1981 which began with demand for them at its lowest since Hay-MSL started its checks in 1959.

Indeed, the final figure of 40,139 for the year just ended which the consultancy has kindly rushed out especially for the information of Jobs in demand for each of the Column readers—is the highest ever recorded in the 26-year history of the count,

The trouble is that the more detailed figures for 1985 suggest that the boom at the top end of the British employment to be lead indicators of the climate for industry in general.

The trouble is that the more detailed figures for 1985 suggest that the boom at the top end of the British employment market may at last be over.

One such gloomy sign lies in the quarterly counts at the bottom of the table. It was in the June to September period of 1981 that the advertised demand changed from decline to improvement, and it kept on improvement, and it kept on improving every quarter for the next four years. With the coming of June last year, however, the market suddenly turned down again.

Another gloomy sign is the drop between 1984 and 1985 in the market for high-grade people in research, design and development, and in sales and What is more Hay-MSL's Oastler Michie, who has had a leading part in the counting exercise since it started, says there is yet more evidence that the UK executive employment market is headed for a fairly lengthy decline. "Over the past decade the

development, and in sales and

for the past quarter century, it seems pretty clear that we are into another downward cycle. So although I'd very much like to believe otherwise I've little doubt that job prospects for executives are going to get worse over the next couple of years or more."

229, 233 and 244.

Any reader determined to look on the bright side may also be pleased to know that Hay-MSL was similarly predicting the onset of a lengthy decline in demand for executives are going to get types at the beginning of 1985—which in the end, of course proved to be the best of the look of the provided to be course.

in executive recruitment in saw as an inexorable down-high-technology industry. ward trend then, it may be that high-technology industry.

graphs we have been keeping for food, drink and tobacco for the past quarter century, it 229, 233 and 244.

Perhaps the most disturbing course, proved to be the best sign for Mrs Thatcher and her year ever. If the market Cabinet colleagues is the trend bucked what the consultancy

in executive recruitment in high-technology industry.

In the last quarter of 1983, Mr Michie says, the number of senior jobs advertised in the UK by high-tech companies was 2,550. In October-December 1984 the number was down to 2,038. During the final three months of last year it plummeted to only 775. "It looks as though what the Government was looking on as the front runner of industrial recovery may be turning out to be the Trojan Horse," he adds.

Fortunately, the signs are less discouraging in the other sultancy now keeps track of energy, retailing, and food, drink and tobacco.

Top jobs advertised by energy companies numbered 830 in October-December 1983, in the corresponding of the first energy of this year as it did

average drop in the demand energy companies numbered between the first quarter of the spear and October-December has been about 7 per cent. The fall between the two periods last closing period of last year. The that Hay-MSL's gloomy predictions on the evidence of the were 180, 205 and 265, and be justified.

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VDU input documentation preparation.

Candidates male or female should be aged 20-30 with relevant experience gained with an appropriate financial institution.

Salary will be negotiable according to age and experience with a comprehensive range of benefits which include mortgage subsidy, pension and life assurance, private medical cover, free lunch facility, season ticket loan scheme and flexible working hours.

Please write with career details to date showing current salary to:-

Linda Cobbold, Assistant Manager-Personnel, The Royal Trust Company of Canada,

48-50 Cannon Street. London EC4N 6LD.



Fund Management – Fixed Interest

£15,000-£20,000 plus excellent benefits

With funds under management totalling several billion pounds, our client is one of the City's most influential institutions and has a considerable presence in the financial services market. In line with current expansion plans, they wish to appoint a capable person to join the small Fixed Interest Investment team.

This represents an excellent opportunity for a career-minded individual willing to accept responsibility, and to contribute to the development of investment strategy. With direct control over more than £11/2 billion of investments, the team manages a variety of types and sizes of portfolios. Although most of these investments are in sterling, there is also a significant overseas content.

Ideally, candidates should be graduates in their early to mid-twenties with a minimum of two years' experience of the fixed interest market, gained with a stockbroker or an institution.

Please contact Anna Robson, Investment Division, 39-41 Parker Street, London WC2B 5LH or telephone 01-404 5751. All replies will be treated confidentially.



Michael Page City

International Recruitment Consultants - London Brussels New York Sydney A member of the Addison Page PLC group

onathan

Director Marketing

Asset-Finance

On behalf of a leading UK Merchant Bank, we seek a highly professional Graduate Banker, (M.B.A., A.C.A., or LL.B. preferred), aged 30-36 years, whose extensive involvement in negotiating high value leasing transactions at senior level has resulted from first class innovative tax efficient pricing and structuring skills. The ability to identify business opportunities, and the technical creativity to formulate individual financial packages of a highly complex nature, will identify the successful candidate. The salary indicated is designed to attract exceptional expertise.

Head of Sales Aid/ Vendor Programmes (Start-Up)

Neg £40-£70.000 Package

£70-£100.000

A leading UK Merchant Bank seeks from applications highly motivated individuals who can clearly demonstrate an exceptional track record in this specialised and competitive field. The appointed candidate will assume total responsibility for the development and management of this area — including new business development, systems administration, etc., with the support of an in-house accounting/administrative team. Age range about 35 years.

Vice President -**Lease Marketing**

Neg £30-£40,000

+ Benefits We seek a US Credit trained Graduate Banker, aged 28-36 years, well versed in the pricing and structuring of UK asset finance transactions in the £1M-£10M price range. A knowledge of Sales Aid/MSP/Vendor Programmes would prove a distinct advantage.

For the above 3 vacancies please contact Brian Gooch or Jili Backhouse.

Corporate Finance

To £50,000 + Bonus

We have been requested by a number of Major Merchant Banks to assist in the recruitment of experienced UK Domestic Corporate Finance specialists, to join their expanding, highly successful departments at Manager/Assistant Director level. Candidates are likely to be aged 25-32 years, and will have a minimum of 2 years relevant experience gained within a

International Equities

The expansion of the International Equities operations of those Merchant Banks which are integrating with Brokers and Market Makers, has provided a requirement for experienced research, sales and jobbing staff, covering all Overseas markets. We shall be pleased to hear from appropriate applicants.

Unit Trust Marketing

£30.000

On behalf of two Clients we are seeking experienced Managers to take responsibility for marketing specialised Unit Trust products. Candidates should possess a significant knowledge of the professional intermediary market.

For the above 3 vacancies please contact Mark Forrester

Portfolio Manager

HONG KONG

A Major International Investment Bank wishes to appoint an additional Investment Manager. Applicants will have a sound background in equity research, and match the dynamic and innovative character of the existing team. Particular expertise is required in the management of European and UK equities and Eurobond portfolio's. This is a first class career development

> For the above vacancy please contact Roger Steare or Bryan Sales. Tel: 01-623 1265



170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

-Head of European Operations

Major International Bank City based £50,000 + benefits

Due to promotion, an opening now exists within the European Headquarters of a major International Bank for a Head of Operations.

The role will be wide ranging covering overall supervision and co-ordination of back office support, including financial control. In addition the appointment carries responsibility for the development. role, but also with flexibility and and application of computer systems and hardware, ensuring that these are properly driven for business needs and will not be a limiting factor for the right compatible with other parts of the group. candidate.

As part of the top management team, the critical area of experience which will distinguish the outstanding candidate will be a sound understanding of international banking activities.

Career prospects are excellent for those not only with the necessary expertise to undertake this important commitment to contribute to this challenging environment. Compensation

As advisors to our client, we will fully respect the confidentiality of any initial approach from those interested in discussing this further.

Alternatively, please write with a full

CV quoting reference MCS/6066 to

Alannah Hunt, Executive Selection Division Price Waterhouse ment Consultants ark Towers 32 London Bridge Street London SEL 9SY

Price Waterhouse



SYSTEMS LIAISON MANAGERS

c£22,000

INTERNATIONAL BANKING

Standard Chartered is one of Britain's major international banks, with gross assets exceeding £26,000 million and more than 2000 offices in over

We wish to recruit two Systems Llaison Managers to join diverse areas of our Organisation, namely International Banking Division and Africa. Department, London.

These new posts will be responsible for the strategic planning of business applications systems within the relevant area and for co-ordinating their development with our Technical Services Division. The jobs will include giving advice and guidance to line management on

matters related to systems and technology. The ideal candidates will be aged 30-35 years, will have a programming/systems analysis background gained, preferably, in an international

banking environment, and proven ability in leading teams on specific computer projects. Experience of mainframe computer configurations, preferably IBM, is essential for the post within International Banking Division; experience of working with large systems teams and installing business systems in overseas areas is essential for the Africa Department post. Applicants for this latter post must be willing to travel overseas on trips of short duration. A general banking background is highly desirable for both posts.

Remuneration will be c£22,000 plus the usual nerous banking benefits. Good prospects for future development exist for the right candidates.

Please apply, with a comprehensive c.v., to Jean Collins, Assistant Manager, U.K. Personnel Services, Standard Chartered Bank. 38 Bishopsgate, London EC3N 4DE.

Standard & Chartered

REGIONAL CREDIT **MANAGER**

North West Regional Office Liverpool Negotiable to £20,000

Financial Planning

and Analysis

Michael Page Partnership

International Recruitment Consultants London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels NewYork Sydney A member of the Addison Ruge PLC group

Unit Trusts – Major New Launch

Girobank is continuing to increase the range of services it offers business customers and one important recent development has been the opening of Regional Offices to establish the bank on a more localised basis with the objective of attracting new business within the areas served by the Regional Offices. The bank has a commercial lending function but is seeking to extend lending facilities through its Regional Offices and wishes to strengthen its managerial expertise in this field by apprinting a Regional Coeffe this field by appointing a Regional Credit Manager dealing with corporate business in Liverpool.

Reporting to the Regional General Manager but with a functional responsibility to the Commercial Lending Manager, the Regional Credit Manager will be responsible for all aspects of credit analysis and lending facilities in the region and will provide professional advice on all commercial credit matters.

Our client is a highly successful, international

services company involved in different markets

Continued expansion of this Ebillion turnover

Controller, tasks will cover corporate planning,

strategic analysis and the financial monitoring

of subsidiary performance; this will include

investment and portfolio analysis plus MIS

development will also be within the remit.

Marketing Executive

Our client is a subsidiary of one of the

This new appointment will princi-

world's most prestigious banking

pally involve selling to your existing professional intermediary connections,

City Based

A graduate with an MBA, you must

have proven experience of impler

financial control and acquisitions. Additional

organisation has created the need for a

perceptive analyst to fulfil a major financial control role. Reporting to the Group

London

throughout the world.

The manager appointed will have several years bank/lending experience together with a full knowledge of all aspects of credit analysis, lending operations, securities and legal requirements.

He/she will also have good inter-personal and negotiating skills and possess a professional qualification in banking.

Conditions include a contributory, index-linked pension scheme, 5½ weeks annual holiday and assistance with relocation expenses where necessary.

Please apply in writing outlining career progress and current salary and how you meet the requirements of the position to: Peter J Farrer, Head of Management Development, Girobank plc, Bridle Road, Bootle, Merseyside, G1R 0AA.

NATIONAL irobank

to £25,000 + car

change, persuasive communication skills. and

a decisive, determined approach. Preferably

experienced at large company commercial or

industrial level, you will probably be in your

The salary will be negotiable from £20,000 for

candidates with good experience, to £25,000

for the exceptional candidate. An extensive

enclosing a comprehensive curriculum vitae, quoting ref. 296, at 39/41 Parker Street, London WC2B 5LH.

benefits package includes a company car,

BUPA and contributory pension scheme.

Interested candidates should write to Andrew Sales FCCA, Executive Division,

late 20's to early 30's.

SAVORY MILLN LIMITED MEMBERS OF THE STOCK EXCHANGE

Savory Milln will be market makers in a selected list of UK equities during 1986 and we are therefore looking for dealers with relevant experience. Our Company is already "dual capacity" in its international trading and is in a strong position to take advantage of changing market conditions in the build up to "Big Bang".

Our involvement in all major continental European markets is substantial and we now wish to extend our market making activities into UK Equities.

Please contact Hugh Hughes on 01-588 1170 or write to him at 3 London Wall Buildings, London EC2M 5PU.

A member of Arbuthnot Savory Milln Holdings Limited

Head a New Venture

City Based

Package c £35k

Our client is a leading British stockbroking firm. It seeks an exceptional individual, probably aged late 30's, to head a new research team and to expand the operation both in the UK and internationally. The rewards package is negotiable.

The new team will utilize a unique approach to investment research based on advanced statistical and computer-based technologies. This will be available both to major institutional clients and in-house. As team head the brief is to develop and direct the analysis and research functions, market research products in the City and elsewhere and to be responsible for overall management and control. This is a key post and reflects a major strategic

Candidates will be highly-educated, probably possess an MBA and possibly a professional accounting qualification. Experience of financial analysis and appraisal and/or business strategy gained in management consultancy, merchant banking, venture capital or the investment institutions is essential. The appointee will also have situational management skills of a high order. A record of sustained achievement to date is an additional prerequisite. This

appointment represents an outstanding opportunity for the able and ambifious. For full job description write in confidence to Mark Lockett at JC&P, Selection Consultants, 104 Marylebone Lane, London W1M 5FU showing clearly how you meet our client's requirements, quoting ref. 9119/FT.

Ourtis and Partners

HongkongBank Limited (X)

Corporate Finance HongkongBank Limited is the European merchant banking arm

of the HongkongBank Group. Recent business expansion has created opportunities in our Corporate Finance department.

We invite applications from ambitious graduate chartered accountants, preferably aged 24-28, who would like to make their career in corporate finance.

Salaries will be attractive and the package will include normal merchant banking benefits.

Applications, including full personal and career details, will be treated in strict confidence and should be sent to: C. E. Fiddian-Green, HongkongBank Limited, Wardley House, 7 Devonshire Square, London EC2M 4HN.

What would Aneurin Bevan say?

This South London Teaching Authority is undergoing fundamental changes and our shift in service priorities has resulted in a range of key objectives being identified to ensure the services provided reflect the needs of the local community.

Our new senior management structure will require individuals with highly developed management and interpersonal skills, from the public or the private sectors, committed to accepting personal responsibility for achieving an effective and efficient health care service. Something Aneurin Bevan would surely approve of.

Head of Corporate Planning c£24,000

Your main role will be to develop corporate planning techniques, policies and information systems to enable the Authority to determine future requirements and plan new services and capital developments. This will involve convincing existing management of the need to re-think priorities for health care provision and the future use of its land and buildings. You will also have overall responsibility for co-ordinating the development of computer services and for the works and estate management functions.

You should be professionally qualified and have gained at least 5 years senior management experience including Please quote Ref FT/CP1

Head of Financial Services

Main areas of responsibility include maximising the Authority's annual budger of £69m and developing financial policy, information and budgetary systems to ensure effective control of resources. A key task will be the introduction of management budgeting.

An accountancy qualification is essential, tagether with at least 5 years' broad based experience at senior management level. This experience must have embraced modern financial and management accounting techniques in a multi-disciplinary organisation. Please quote Ref FT/FS2.

A comprehensive information package is available from Mr.J.M. Pollard, Personnel Administrator, Comberwell Health Authority, King's College Hospital, Denmark Hill, Landon SES 9RS. Telephone 01-274 6222 extension 2755/2756. Please quote appropriate reference. Informal enquiries will be welcomed by Mr J. W. Collinson, District General Manager on the above number,

extension 2729. Closing date 7th February



A major

International Bank

Is expanding its correspondent banking group and is looking for marketing officers with at least three years' calling experience in the Middle East, Asia or Europe. Based in London, travel is estimated at 12-16 weeks per year.

Competitive salary and usual banking benefits. Please apply with full co to:

Mike Pope & David Patten Partnership 214 Bishopsgate, London EC2

CAREER OPPORTUNITY

Quick-thinking exceptional person needed to join the team at the start of a new venture using a well-established successful company as its springboard. Full training and support will be given but you must be essentially a self-starter. Applications are invited from graduates aged 25-30 with a working knowledge of the City.

You should be a good judge of people, have the confidence to project your personality in a marketing role, and highly articulate on paper. This is an opportunity to use your wideranging talents and be directly rewarded for your individual

Please apply with full curriculum vitae and a contact daytime telephone number to Box A0030. Financial Times, 10 Cannon Street, London EC4P 4BY

whilst becoming increasingly involved in marketing, advertising and new product development. Your success will assure your progression into bonus and car. management. Aged between 25 and 35, you must

+ bonus + car have thorough relevant experience and a proven sales track record. probably gained within a major unit

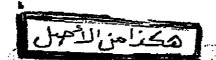
to £25,000 basic

trust group and operating in the Home The excellent banking benefits package includes a generous mortgage subsidy, non contributory pension,

family medical cover, free life assurance,

To apply, please telephone or write to Fiona Law, quoting Ref: 9901.

Search and Selection



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INTERNATIONAL BANKING RECRUITMENT CONSULTANT

-TRAVEL - MARKETING - BANKING - HIGH INCOME - JOB SATISFACTION -

We are a leading overseas banking recruitment consultancy and have recently established offices in Sydney and Hong Kong with further expansion planned for 1986. Our corporate style encourages a team effort in a friendly, stimulating and professional environment and our clients are among the top-ranking banking institutions in Europe, the Middle and Far East and Australasia.

To complement the development of our global network and to meet the increasing demand for our services, we are seeking to recruit two additional, highly-motivated consultants for our European team based in London who will concentrate on the recruitment of banking executives in German-speaking Europe. We would also be interested to hear from candidates who may not have the required language ability but would like to be considered for similar positions within the Company.

To develop new relationships and maintain our existing ones in Germany, Luxembourg and Switzerland, you must have total command of the German language and an understanding of the

business climate. Ideally aged between 26 and 33, you will have sound marketing abilities and a knowledge of international banking, gained from a minimum 5 years' experience in banking or from a relevant consultancy. Obviously, good communicative and interpersonal skills are also necessary.

This is a unique opportunity to accept the challenges of a fast-moving, demanding rather than conventional career. In addition to an outstanding level of job satisfaction, good prospects and regular overseas travel, you may also anticipate an attractive remuneration package consisting of a base salary plus a generous performance-related bonus – potentially unlimited. On-target earnings average between £20,000 and £30,000 plus car.

Please telephone or write with full career

Roy Webb, Managing Director, Jonathan Wren International Limited, 170 Bishopsgate, London, EC2M 4LX. Tel: (01) 623 1266. Telex: 8954673 WRENCO.

London · Sydney · Hong Kong



Jonathan Wren

CRÉDIT AGRICOLE P

Crédit Agricole is a growing force in International Banking. In view of the Bank's expansion in London, applications are requested for the following positions in three Departments.

Credit Analysis/ Marketing Support

£13-16,000 (plus benefits)

Self confident, ambitious applicants of Graduate calibre are sought, aged 25-30 years, with a proven track record in Corporate analysis and familiarity with basic banking products. A good understanding of credit documentation and the necessary skills to write and present reports to relevant levels will be required, allied with a desire for progression to a

E. S. S. S. S. S. S. S. S. S. Fluency in French would be an added advantage.

Contact Richard Meredith

re Mon

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HONG KONG

170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

CREDIT CONTROLLER to £25,000+full banking benefits

Our client is a new company, a subsidiary of a leading American investment bank, that has been established with strong capital backing to operate in the home loans market.

The successful candidate will assume full responsibility for loan book maintenance, credit checking and collections, which will include correspondence and haison with solicitors, agents and borrowers. He she will also be expected to produce an accurate and timely management information package and to develop and train a small

Candidates (aged 30/45) will be highly experienced and self-motivated professionals with a minimum of five years previous experience and fully conversant with all aspects of consumer credit checking, county court judgements and the law relating to property management. They must also be able to demonstrate a high level of success in their careers to date and well developed interpersonal and management skills. For further information please write with full C.V. or telephone Martin Krajewski in strictest

FIRTH ROSS MARTIN ASSOCIATES. WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M 5TP. TELEPHONE 01-628 2441

Firth Ross Martin

Financial & Professional Selection Consultants

EUROBOND TRADER

This fast growing Merchant Bank, already involved in the FRM, YEN and ECU Markets, seeks a \$ Straights Trader to complement an eviating two man team. The successful applicant will have a minimum of one year's relevant experience and have the ability to make a valued contribution when this house becomes a professional Market Maker in the next 6 months. Remuneration is dependent on the ability and potential of the individual but will comprise a basic salary interesting the second of the second of the individual but will comprise a basic salary than the second of the individual but will comprise a basic salary than the second of the individual but will comprise a basic salary than the second of the individual but will comprise a basic salary than the second of the

EUROBOND TRADER

European bank with a small but effective trading presence wish to recruit a Canadian and US Domestics trader to augment their existing capabilities. The control of a small but effectives are supported in these products as well as the ability to "position help "for their Straights and Convertible side." For their Straights and Convertible side. The conus of this position is more of a "Portfolio Management" then of a "Merket Making" type roll, but will neverthelpse be of a sufficiently complex and demanding nature to be attractive to high calibrations.

ephicant.

In addition we have a number of openings in Eurobond or multi-currency SALES with many of the major in addition we have a number of openings for a track record but we do have some openings for 6 months plus experience, specifically in the "FRN" markets.

Should you wish to contact FTB to discuss specific opportunities, in this year of change, or generally, then do not healtate to contact Stephen Dopann on 600 1211, on 9206 579551 (evenings and weekends).

FTB RECRUITMENT 128/129 Chespside. London EC2 01-600 1211

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LEADING U.S.

INVESTMENT BANK

Due to the expansion perience Times, 10 Cannon St., London, EC4P 4BY

THURSDAY

contact

TREVOR PUNT

for further information

of our international securities business we are inviting applications from trainee dealing staff. Some Stock Exchange exdesirable. Please reply in strictest confidence to Box Financial

APPOINTMENTS

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COMPUTER SERVICES MANAGER - BANKING

A demanding appointment - scope to move up to position of information Systems Manager in 18-24 months

LONDON

£28,000 - £38,000 + MORTGAGE

LEADING INTERNATIONAL BANK ASSETS APPROACHING 25 BILLION

We invite applications from candidates, aged 32-40, who have acquired at least 7 years' practical operating systems experience and at least 3 years either heading up, or as the number 2 of the operating systems within a user environment in a major corporation or financial institution. Reporting will be to the Information Systems Manager. Responsibilities will cover, through a team of 30+, the day-to-day efficient running of the Bank's computer systems and the provision of systems technical support, involving the updating, improvement and maintenance of the systems software. The ability to plan effectively, manage and set commercial priorities and meet deadlines is important. Initial remuneration negotiable, £28,000 – £38,000 + car, subsidised mortgage, contributory pension, free life assurance, free family BUPA, assistance with removal expenses if necessary. Applications in strict confidence under reference CSM4395/FT, to the Managing Director: CJA.

Opportunity to establish the Euro Trading function and to head up team in 1-2 years.

CJRA CITY

SHORT TERM EURO SECURITIES TRADER

£25,000-£35,000 + CAR

MERCHANT BANKING ARM OF PRIME NORTH AMERICAN BANK

We invite applications from traders in their mid to late 20's, who must have had at least 2 years' successful Euro instrument trading experience. The selected candidate, who will head the trading function and report to the Department Manager, will be responsible for trading the following instruments: Euronotes, Euro CDs and Euro Commercial Paper. Another key aspect of this appointment will be the formulation of dealing strategies and policies for this merchant banking team. Essential qualities are well developed trading skills plus the motivation to start up the function. Compensation by way of high basic salary and performance related bonus is likely to be in the range £25,000-£35,000 plus company car and a full range of banking benefits. Applications in strict confidence under reference EST17412/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

Key appointment for self-motivated, results orientated credit controller Scope for increased responsibilities and career development abroad.



CREDIT AND COLLECTIONS MANAGER

S.W. LONDON

£18,000-£24,000 + CAR

FINANCIAL SERVICES SUBSIDIARY OF A LEADING US MULTI-NATIONAL

Expansion means that our client now invites applications from candidates, aged 30-45, who are members of the Institute of Credit Management with at least 8 years' demanding and significant credit and collection experience, of which 3 years will have been spent in a management role. As collections are for both international and domestic markets, a thorough knowledge and experience of European and Middle Eastern collection instruments is essential. The successful applicant will have full responsibility for the management of an effective collection service for £15-20 million of receivables from approximately 2,500 accounts using an on-line real time system. Of key importance is the ability to motivate a team of up to 10 staff, setting their targets and measuring their performance. Other aspects of this appointment are: UK representation on the company's European Receivables Council (requiring some European travel); providing professional and appropriate recommendations on actions to be taken with difficult accounts; chairing monthly review meetings at all group companies. Initial salary negotiable £18,000-£24,000, plus company car, contributory pension, free life assurance and removal expenses if necessary. Appplications in strict confidence under reference CCM17425/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

Prospects for further responsibilities particularly with the growth of traded options.



SETTLEMENTS - FINANCIAL FUTURES/ EQUITIES/BONDS

CITY

£12.000-£15,000

FURTHER EXPANDING CLEARING AGENCY OPERATION OF FOREIGN BANK

Applications are invited from candidates, aged 25+, who must have had significant settlements experience either with a stockbroker or other financial institution, including 2 years in UFFE markets using the 'Classic' system. The selected candidate who will report directly to the Managing Director, will be in a key position to develop this important function within a small but expanding environment. Initial salary negotiable £12,000-£15,000, BUPA, season ticket loan and other This same bank also seeks two further settlements specialists: one for the INTERNATIONAL BONDS

area (Ref. SIB17427/FT) and one for INTERNATIONAL EQUITIES (Ref. SE17427/FT). For both appointments salaries will be specially tailored and in the Equity area there is scope in due course to develop into sales.

Applications under the appropriate reference above will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

35 NEW BROAM STREET, LOKBON ECZM 1MH. TELEPHONE: 61-588 3588 or 81-588 3576. TELEX: 887374. FAX: 81-638 9216

CONCAMENATIONS RECOMMENDE ASSISTANCE ON RECOMMENDENT, PLEASE THE EPHONE- 01-628 7530

LONDON DIRECTOR

TOWARDS A COMMON PURPOSE AT WORK Prior to the retirement of the present Director, the Industrial Participation Association wishes to appoint his successor.

Established for over 100 years the Association has a special role in the industrial and commercial life of this country. Membership includes successful companies, large and small as well as leading Trade Unionists. Dedicated to employee involvement the Association also seeks to influence Government and EEC legislation.

Applicants must provide identifiable experience of participation policy and practice; will preferably hold a good university degree or a professional qualification, e.g. finance or law; have proven management skills, the ability to think constructively with imagination and to communicate well with other people.

Preferred candidates will already live in or near London and be aged 40/50 years.

Please write enclosing concise CV and salary expectation to:

Sir Richard O'Brien IPA, 85 Tooley Street London SE1 2QZ



INVESTMENT

Major European bank is seeking an active person with research/ sales experience to promote the London Stock Market to Continental institutions.

OFFICER

Applicants ideally aged 25-35 and fluent in French, should have strong personality to maintain existing contacts and expand

The post offers good career prospects. All applications will be treated in the strictest confidence.

Write Box A0024, Financial Times 10 Connon Street, London EC4P 4BY

THE ROYAL LONDON THE ROYAL LONDON WAS UNIT TRUST MANAGERS LIMITED

REGIONAL SALES EXECUTIVE **UNIT TRUSTS**

MANCHESTER, THE NORTH AND SCOTLAND

We are a rapidly expanding subsidiary of one of the major insurance companies. Over the past few years we have established a reputation for first class investment performance. Professional

Intermediaties already account for a high

proportion of our sales. We are seeking an executive to actively promote our range of unit trusts to stockbrokets, unit trust advisers, insurance brokers, solicitors and accountants throughout the North of England and

The remuneration package reflects the importance of this appointment and includes a generous salary, performance bonus, car, subsidised mortgage facilities and a non-contributory pension.

In return we are looking for: * A first class understanding of the investment

scene

Strong personal motivation * The ability to express yourself clearly, unambiguously and with assuredness

Please write, in confidence, giving details of your qualifications and experience to:

R.J. Harwood, Unit Trust Manager, The Royal London Unit Trust Managers Limited, Royal London House, Middleborough, Colchester, Essex CO1 1RA. Tel: Colchester (0206) 44155

SENIOR FINANCIAL MANAGER

Responsible for overall management of financial reporting, control and analysis for major US bank involved in commercial lending, Foreign Exchange, Money Market and, through its affiliate, Euro Securities activities. It is essential that candidates, aged 30 to 35, have management experience and a strong knowledge of and experience in US and UK regulatory and

Remuneration negotiable and competitive.

Please write enclosing Curriculum Vitae to Box A0027, Financial Times, 10 Cannon Street, London EC4P 4BY

Accountants for Management Consultancy

London

We are one of the leading international management consultancies; we are now looking for further first class consultants and analysts for our financial management practice in the UK and

For consultant positions, successful candidates will be qualified accountants aged 28 to 35, with an honours degree, who can demonstrate proven

achievement in industry or commerce. Experience must include responsibility for systems development as well as line management in the finance function. Personal qualities will include the ability to communicate clearly both orally and

For analyst positions we are interested in hearing from less experienced people over 26 who otherwise meet the profile

We offer outstanding opportunities to broaden your experience in a wide

Salary to £25,000 + car

variety of industries and to work with stimulating colleagues from a number of disciplines. There are excellent opportunities for promotion within Peat Marwick for those who wish to pursue a career in consultancy. Of particular interest to us at the moment are people with experience of the manufacturing, retail, distribution and oil industries, or of treasury management.

If you are interested in joining our London office and working with us in the UK or overseas, please write in confidence, enclosing a brief summary of your qualifications and experience, and quoting reference A/JA/86, to Mike Coney at Peat, Marwick, Mitchell & Co., 1 Puddle Dock, Blackfriars, London EC4V 3PD.

PEAT MARWICK

FINANCIAL DIRECTOR (DESIGNATE)

Age 30-35

A qualified chartered accountant who is looking for advancement in their career, who is probably next in line to the financial director of a successful public company and is looking for their next step. The successful applicant will be energetic, excited by challenge and have full knowledge of the duties of a company secretary. Excellent package of pay and conditions removal expenses be considered.

> Apply in writing to: The Chairman and Managing Director, The ELS Group of Companies,

Thomas House, Prescot Road, St Helens, Merseyside WA10 3XB

Corporate Financial Services

Tiphook plc



Tiphook pic, following its recent flotation, is seeking to fill two new key appointments in the Corporate Financial Services' team based in Bromley, to assist in the planned expansion of the group.

Group Financial Controller c.£25,000 + car

Applicants should be qualified chartered accountants aged around 35 and must be able to demonstrate a strong commercial flair.

Reporting to the Group Finance Director, the successful candidate will assume responsibility for all aspects of the group financial accounting and taxation functions, as well as the development of group management information.

A major part of the duties will also involve investigations into possible acquisitions and investment appraisals, using sophisticated financial modelling techniques.

Data Processing Manager c.£17,500 + car Applicants aged around 28, should have 2 years'

Applicants aged around 28, should have 2 years data processing experience and possess strong personal communication skills, in order to deal effectively with users at all levels.

Reporting to the Information Systems Manager, the successful candidate will be responsible for the day to day running of the group's IBM System 36 installation and will also be heavily involved in computer systems' development within the group.

computer systems' development within the group.
This includes development of the worldwide communications network and management information and financial modelling applications.

Candidates should write in confidence, enclosing a comprehensive C.V. to: A. B. G. West, Group Finance Director, Tiphook plc, Chelsea House, 26 Market Square, Bromley, Kent BR1 1NA.

MANAGER FINANCIAL ACCOUNTING

Major International Oil Group

Central London

Our client is the UK subsidiary of a leading International Oil Group, whose continuing success is the result of an extensive programme of oil and gas exploration combined with

Based in their prestigious West End headquarters, this is a key management appointment reporting directly to the Head of Corporate Accounting. You will be fully responsible for the control and operation of the Company's financial accounting function, the quality and accuracy of financial reports and accounts prepared to tight deadlines, and the supervision, direction and development of an experienced accounting

to £20,000

The company uses sophisticated and well established computer-based accounting systems, and therefore candidates, who will be qualified accountants, pro aged 28-36 will have had experience of highly-developed computer systems, together with evidence of excellent people-management and technical accounting skills gained in a progressive, possibly International, business environment.

This important appointment commands an excellent salary and large company benefits package, and offers the style of career prospects normally associated with major International Groups. For a detailed and confidential discussion, call Paul Goodman on 01-387 5400 (out-of-hours 01-954 5242) or write to him at:

FINANCIAL SELECTION SERVICES

DRAYTON HOUSE, GORDON STREET, BLOOMSBURY, LONDON WC1H OAN TELEPHONE: 01-387 5400

Finance Director

Board appointment with new international company. London c£30,000 + car

We have been retained by a newly formed, progressive shipping consortium to recruit a highly motivated and assertive Finance Director to join their dynamic management team from inception. Initiated by 4 Scandinavian shipowners, the company is responsible for the management and operational efficiency of a substantial international container fleet. Turnover is projected at c\$300m and it is expected that the company will become a major force in the world container leasing market with a network of overseas offices.

Utilising a highly sophisticated EDP and communications network, the Finance Director will be required to set up all necessary systems to manage the business effectively including tight budgetary control, international cash management and management accounting procedures.

A systems specialist, probably aged 28-35, with an international background, you will be graduate calibre with a recognised accountancy qualification and/or MBA. The ability to develop long term banking relationships and operate effectively in a UK tax/legal environment is essential. Previous exposure to equipment finance/leasing would be an advantage. You must be a self storter, essentially with a "hands on" approach and have the flexibility and insight to troubleshoot in a international capacity: travel to overseas locations will therefore be required.

If you feel confident of meeting the demands of this challenging appointment, please write, enclosing a comprehensive C.V., quoting ref. 297, to Ken Proctor, Executive Division. 39/41 Parker Street, London WC2B 5LH.

Michael Page Partnership

International Recruitment Consultants London Windsor Bristol Burningham Manchester Leeds Glasgow Brussels New York Sydney

A member of the Addison Page PLC group

Accounting Manager A unique 'start-up' challenge

An international engineering and design company, in the process of setting up a major engineering division in South West London, is now establishing the first tier of management for this important new investment. This creates an opening for an accomplished Qualified Accountant to take up the created post of Accounting

Responsible for the initial set-up of accounting systems and then for their on-going maintenance, there will be involvement with the whole spectrum of accounting activities; general ledger, project accounting, financial reports, supplier invoices, regulatory reports, taxation reporting, office payroll and office budget. Reporting directly to the Managing Director, the position will represent the most senior accounting post within the division and will entail extensive financially related support

A qualified ACA/ACCA/ACMA, probably aged at least 30 in order to have sufficient experience for the responsibility, you will also possess the proven management ability to build an accounting team beneath you and benefit from the unique career development this 'start-up' challenge offers.

Assuming you can demonstrate the necessary qualities, a salary to match your present level will be offered together with the expected benefits Please write with full career details to John Wilson, Santa Fe (UK) Ltd.,

Parnell House, 19-28 Wilton Road, London SWIV ILZ.

Santa Fe (UK) Ltd

Chief Accountant

Directorship Prospect

£23,000 plus car

A profitable and growing London-based subsidiary of a significant pic, our client manufactures and distributes consumer goods in a highly competitive market sector in which it enjoys powerful standing. Turnover in 1986 should be about £8m. The person appointed will join a lively top management team, and will report to the Chief Executive. There is a firm prospect of a Board appointment.

Accountabilities will cover the financial management spectrum: there will be ample opportunities for impovative development. The successful candidate's previous experience in manufacturing industry - preferably in consumer goods - will have included sigrificant computer systems and management accounting involvement. An accountancy qualification is essential age indicator - probably 30's.

Relocation assistance would be available. Please write - in confidence - to P. Bainbridge ref. B.17447.

> This appointment is open to men and women HAY-MSL Selection and Advertising Limited 52 Grosvenor Gardens, London SW1W GAW.

FINANCIAL SERVICES

Financial Director

(Designate)

NORTH LONDON

manc

An expanding and profitable electrical engin-eering company, a major subsidiary of a public company, wishes to appoint a commercially orientated qualified accountant as Financial Director Designate. The successful applicant will be responsible for the total financial control of this diversified business and will report to the Company's Managing Director.

The remuneration package is negotiable around £20k per annum plus car and includes the normal benefits appropriate to this senior

Applications which are in confidence, should include full career details.

Please write initially to:

G. R. Brown, Eleco Holdings PLC. Belcon House, Essex Road, Hoddesdon, Herts EN11 0DR.

Business Systems Manager

Swindon, Wiltshire

c. £20,000 + car

Our client is a major high street organisation which is a leader in its marketplace and intent upon continual improvement in its operational performance. It is a key subsidiary of a very substantial, publicly owned UK industrial group.

The finance director wishes to appoint a qualified accountant to assist him in all aspects of the application of financial control within the company and in the use of information technology resources. This position has substantial indirect staff responsibility through various functional managers. It is regarded as a key part of the financial/administrative functional and is likely to lead to career development in either finance or senseal measurement within the graph. finance or general management within the group.

Applicants should be qualified accountants whose experience encompasses the development and management of financial control systems and information centre technology. There will be substantial liaison with senior company management on critical financial issues.

Please address brief personal and career details to Douglas G Mizon quoting reference F/876/M at Ernst & Whinney Management Consultants, Becket House, I Lambeth Palace Road, London SE1 7EU.

Ernst & Whinney

Divisional Management Accountants Qualified Accountants

Central & West London, Up to \$20,000

Our client, a major engineering organisation with interests in civil and electrical engineering, is seeking to strengthen its management and financial accounting functions at divisional level in order to improve efficiency and its competitive edge.

It is seeking to recruit a number of high calibre senior management accountants who, as part of a divisional management team, will provide effective support and financial advice in an environment where demanding financial targets are being set.

If your technical ability, commercial acumen and communication skills match your commitment to success contact:

A.T. Matthews, Ref: 308/FT. Tel: 01-409 2766. Hoggett Bowers plc, 1-2 Hanover Street, LONDON W1R 9WB.

Hoggett Bowers plc

Young Accountants **Must Read This**

Hoggett Bowers plc, long recognised for its outstanding success in the field of Executive Search and Selection, has now opened an office in the City to serve the accountancy profession and the financial services industry. The consultants have been hand-picked for their experience within these fields and provide career advice and contacts which are second to none. They also work closely with our national network of offices which serves the profession and all sectors of industry and commerce country-wide. Whatever your requirements, if you are qualified or about to be so, you should telephone or write to Rupert Terry and find out what we can do for you.

01-588 4305 Moorgate Hall, 153/157 Moorgate, LONDON EC2M 6XB.

Recruitment Consultants



Financial and business development director

London, c £40,000, plus substantial profit share



عدي أفد

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For a highly successful, long established £60m turnover consumer products group, a frequent Queen's Award winner with substantial export markets. The balance sheet is strong and adequate resources are available for business development through acquisitions and organic growth.

Reporting to the Chairman you will be responsible for the entire financial function and for developing and implementing the company's expansion and diversification plans.

Aged from 35 your post-qualification experience should include a period spent in marketing oriented international companies and at least three years' in the FM.C.G. sector, preferably at controller level. On the business development front the requirement is for a good record in identifying and evaluating acquisition opportunities, negotiating and leaising with vendors and professional advisers and in handling the day to day practicalities of absorbing new acquisitions into a group. This is not a large company and interpersonal skills of a high order both in and out of the boardroom will be of the essence.

Terms need not be a limiting factor.

Résumés including a daytime telephone number to Michael Pring, Executive Selection Division, Ref. P438.

Coopers &Lvbrand associates

Coopers & Lybrand Associates Limited management consultants

London EC4Y 8AX

Young Chartered Accountant

London £18,000 + car etc

The parent company of a large and diversified international financial services group in the forefront of developments taking place in the City wishes to recruit a young and ambitious chartered accountant to assist the Group Financial Controller in carrying out his responsibilities

Working closely with the Group Financial Controller the successful applicant will be part of a small Head Office team involved in the production of timely, orderly and meaningful management information.

Applicants must be young, career minded chartered accountants offering distinct analytical ability currently working in the profession or in a group head office function.

In addition to salary car and other benefits the position will offer excellent experience in a highly sophisticated environment plus

realistic prospects for further advancement in the Group.

Candidates can make application by quoting MCS/7178 and requesting a Personal History Form from Michael R. Andrews **Executive Selection Division** Price Waterhouse

Management Consultants Southwark Towers 32 London Bridge Street London SEL 9SY

Price Waterhouse



ACCOUNTANCY APPOINTMENTS AFFEAK

EVERY THURSDAY

FINANCE MANAGER

Our client is the profitable subsidiary of a major British electronics group. The Management Accounting Executive will play a vital role in advising operations management. Managing a large staff, key responsibilities will include business planning, forecasting, budgeting, investment appraisal and management reporting. Suitable candidates, aged 27-32, will be qualified accountants with demonstrable success within a major group. Bet . IG. success within a major group. Ref: JG.
ESSEX £23,000+Car

Our client, a substantial publishing group, continues to expand both organically and through acquisition. An outstanding both organizary and shough acquisitoth. Art outside and proceed on the career opportunity exists for young accountant with controller-ship potential. Managing a small staff, this key appointment is responsible for the review and interpretation of monthly management information, business analysis etc. Suitable candidates, aged 28-32, will be qualified accountants possessing commercial awareness, an analytical approach and excellent communication skills. Ref. JG.

C. LONDON c.£20,000+Car **FINANCIAL SERVICES**

This substantial unit of a US insurance group, with interests in the UK and overseas, requires a young Chartered Accountant with an insurance background to take on a developmental role. The Operations Accountant will be engaged in monthly reporting, together with a blend of claims, premium and treaty accounting and will enjoy considerable interface with the underwriting department. Additional responsibilities will include systems development and the plities will include system. nent of six staff. Ref: GR. £22,000+Car

Strategic-Financial **Analyst**

c£24,000

This is an opportunity to join the headquarters staff of a large multi-national manufacturing and construction Group based in Central London. The analyst is required for a small department, working at Finance Director level on the

Group strategic plan, acquisitions, divestments and the review of operating performance.

Applicants should have a flair for both strategic and financial analysis, coupled with the ability to communicate. An MBA and/or relevant experience in a major group is important. Age guideline-laté 20's.

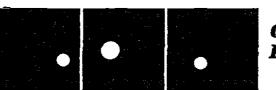
Please reply in confidence, quoting ref. L213, to:

Brian H Mason

Mason & Nurse Associates 1 Lancaster Place, Strand London WC2E 7EB Tel:01-2407805

Mason & Nurse

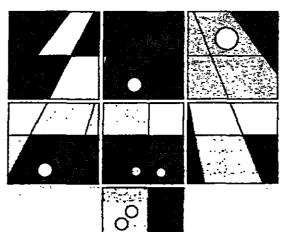
Selection & Search



Opportunities in Information Technology

MANAGEMENT ACCOUNTANT

£17K + Benefits package



BIS Banking Systems is a well established international company enjoying market supremacy within one of the largest growth areas of the software industry - International

A unique opportunity has arisen for a young professional to join the current accountancy team to play a major role in the further development of our accounting and reporting systems. In addition, the position offers some possibility of overseas travel. Previous experience within the high tech. industry is not essential although

BIS Software Limited BIS SYSTEMS SYSTEMS

a knowledge of the IBM PC and/or System 36 would be useful. If you are either ICMA or ACCA qualified, over 25 years of age, able to demonstrate good communications skills and possess the ability to build personal relationships with senior members of staff, then we suggest you call Trisha Robinson on the number below, to discuss this challenging position further.

Respond to: Trisha Robinson, BIS Software Ltd., York House 199 Westminster Bridge Road, London SE1 7UT. Tel: 01-928 3551.

GEC Hong Kong

GEC Group in Hong Kong and is also a specialist electrical and mechanical contractor. About 500 people are employed.

Applications are invited from qualified Chartered Accountants in their mid-30s to mid-40s to succeed the present Finance Director who is moving to another position.

Experience in trading or project work is needed. Applicants must be capable of applying firm financial control and contributing to the profitable running of the business in a challenging environment.

FINANCIAL CONTROLLER

Our client is engaged in the manufacture of high quality, custom built capital equipment for the petroleum, chemical and process industries.

accounts of the total company as well as the Company Secreideally candidates will be qualified chartered accountants, aged under 40 and have experience of computerised cost-centre costing, job costing and fully-integrated computerised financial accounting, preferably gained in an engineering or

Company pension and sickness schemes are in addition to the negotiable salary. Assistance with relocation expenses will

RONALD BRIDGES ASSOCIATES

MANAGEMENT AND EXECUTIVE SELECTION

Suite: 1, 32 Arundel Road, Eastbourne, East Sussex 8x21 2EG

An experienced Financial Controller is now required for the main office and factory pleasantly located in West Sussex. Reporting directly to the Managing Director, the successful candidate will be responsible for all financial and management.



manufacturing environment.

be given if appropriate. Please write with full CV to:

Expetriate terms will apply. Written applications, with detailed C.V. in confidence to: The Director of Overseas Operations The General Electric Company pic 1 Stanhope Gate London WIA 1EH

Financial Director South West London

 $c \le 25,000 + car + bonus$

Our client is a successful, long established motor group based in South West London with a turnover of £15 million. Recent years have seen rapid growth in volume and profitability and the group has now embarked upon an exciting new period of development which will include acquisition and diversification. The need has arisen for an experienced manager to join the group as Financial Director with immediate effect.

The role will encompass all accounting, financial, computer and company secretarial aspects of the business. There will be considerable involvement with the Group Chairman in shaping the commercial development of the organisation. A qualified accountant, preferably

aged 30-45, you will have had broad-based accounting and computer systems experience.

Candidates must be able to demonstrate drive and initiative with a genuine commitment to the further success of the group. An assertive but not abrasive style will be important within the energetic top management train.

The generous salary package will include a fully expensed executive car, profit sharing and options as well as a very good range of extra

Interested applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive C.V., quoting re [299, at 39-41 Parker Street, London WC2B 5LHL

Michael Page Partnership International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels NewYork Sydney A member of the Addison Ruge PLC group

oggett Bowers

Executive Search and Selection Consultants

MEMINICHAM, CANDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Group Treasurer

Service Industry, Central London,

£23,000, Benefits

Our client, because of dynamic and necessary changes, needs to recruit a Treasurer with the self motivation to identify and introduce control procedures for all cash matters.

Once established the duties will include responsibility for the department consisting of 4 support staff and the smooth running of the cash and banking function. Perhaps the most important aspect of the position would be to investigate and introduce computer systems to guarantee the most effective use of cash. Proposals for change would be accepted and implemented.

The successful applicant will be a qualified Accountant with at least 3 years experience as a Treasurer and someone who has clearly demonstrated the ability to envisage and make changes as they become

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to A.T. Matthews, Hoggett Bowers plc, 1-2 Hanover Street, LONDON W1R 9WB 01-409 2766 quoting Ref: 307/FT.

Unique Opportunity for Young ACA

Up to £18K City + International Travel

This is an exceptional opportunity for a young ACA to join an international organisation as an Accounting Consultant.

Specialising in the field of investigative auditing for the insurance industry you will be based in the City and would enjoy significant worldwide travel. Each assignment is varied and interesting enabling you to develop your analytical, professional and com-

initially working on joint assignments you will quickly be given every opportunity to develop your knowledge and you will ultimately be involved in the development of future work for the international practice.

Starting salary will be up to £18K plus a negotiable benefits package.

Above average accountants with initiative and who are eager to develop their professional skills should contact Phil Bainbridge, Selection Consultant on 01-730 0833 or write to him - quoting ref. B.35012.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited, 52 Grosvenor Gardens, London SW1W QAW.

FINANCIAL SERVICES

FINANCIAL DIRECTOR

Age 30-40

£25,000 + Car

IPSWICH

A private group of companies whose activities include manufacturing of equipment for the oil industry, UK distribution of commercial trailers and tankers and industrial property investment, require an experienced qualified Accountant.

The successful candidate will be expected to work closely with the Chairman in determining the Group's future expansion.

The job is broadly based but with the emphasis on monitoring subsidiaries' performance, carrying out ad hoc investigations, reviewing the effectiveness of management information, financial appraisal of potential acquisitions and some systems work potential acquisitions and some systems work.

Applicants should have had several years experience in industry in a senior financial position.

Please write with full career details, quoting ref: CT/HIH, to Andrew Strickland FCA, Grant Thornton, Crown House, Crown Street, Ipswich IP1 3HS.

ACCOUNTANCY APPOINTMENTS ADVERTISING

f41 per single column centimetre and f12 per line Premium positions will be charged f49 per single column centimetre For further information call LOUISE HUNTER on 81-248 4864 TREVOR PUNT on 01-236 9763

Taxation Manager Banking

Age 26-32

Our client, a major international bank, will shortly appoint a Tax Manager to its European Division Headquarters in London as a result of promotion to their Head Office.

Responsibilities include:

** Tax planning for the European Division in conjunction with Head Office

** Designing and promoting tax based products for the bank * All aspects of contact with taxation authorities The bank considers the tax manager to be an important member of the business team and the appointee would be expected to contribute to the decision-making process.

£27,000 + car and benefits

The ideal candidate will have had at least three years' postqualification experience in the taxation department of a major accountancy firm where he/she would have dealt with the affairs of international banking clients. Alternatively, candidates may come from a tax department of an international bank. Salary will be regotiable depending upon experience, and will include the attractive fringe benefits associated with.

Please apply to Jock Coutts, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A IEG, tel: 01-242 5775.

plan

Personnel Consultants

Finance Director

East Midlands

c£22,500 + car + bonus + share options

Our client is Pentos Home and Office Products Group Ltd., a division of the Pentos Group. Trading under the name of Caplan, the company is a successful, expanding manufacturer of office furniture.

A Finance Director is now sought to assume full responsibility for the finance function. Working closely with other members of the senior management team your brief will encompass the co-ordination of statutory and internal managerial information, cost control, the management of funds, acquisition analysis and the further development of computerised systems. The incumbent will also be expected to play a leading role in the general administration of

As a qualified accountant in your 30's with an exceptional track record in a manufacturing environment, your commercial expertise will enable you to make a substantial contribution to the company's long term plans and corporate strategy. In return, the company can offer outstanding career prospects, an attractive salary package including an executive car and relocation costs where appropriate. If you feel capable of meeting the demands of this exciting, challenging tole please write to Dean Gollings, Executive Division, enclosing a comprehensive CV quoting ref. B6197, at Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.

Michael Page Partnership International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

Exceptional opportunity development opportunity

Young Financial Manager

mid-20s c.£20,000 **Thames Valley**

Mars Confectionery has a record of profitable growth which has made it the leading manufacturer in the UK's biggest packaged-goods market. A key factor in maintaining this impressive commercial success continues to be the reness of our financial management and controls.

Following an internal promotion, this challenging opportunity has arisen for an outstanding young accountant to join our highly professional team. Initially, responsibilities will include the preparation of financial plans and forecasts, together with responsibility for the financial performance of a group of our brands. Significant involvement with all areas of the business is expected together with the ability to contribute to the success of the company's overall financial management. You must therefore be capable of expanding the horizons of your role, influencing the business, and goining acceptance for your ideas. gaining acceptance for your ideas.

A qualified accountant in your mid-20s with a good degree, you will already be able to demonstrate an impressive record of achievement — gained either in industry, or in the profession — and you are now looking to broaden your experience in a fast-moving business environment.

First-year earnings of around £20,000 (in a range rising to £28,000) will be backed by a comprehensive non-contributory benefits package including relocation assistance if appropriate. Success in this stimulating role will lead to excellent prospects for further career advancement — not necessarily restricted to financial management — within Mars Confectionery or other Mars Group companies in the UK or

Please ring or write for an application form to Rob Sawyer, Management Development Manager, Mars Confectionery, Dundee Road, Slough, Berkshire SL1 4JX. Tel: Slaugh (9753) 23932, ext. 4645.



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JDITING ISN'T CONFINED

Well, at least not in Cable and Wireless, the world leader in international telecommunications operating in 60

Due to internal promotion and increasing Company demands there are new openings within our Internal Audit function for experienced audit professionals willing to undertake extensive overseas travel to our many business locations. These are excellent opportunities to gain rapidly a broad knowledge of this highly successful Company and could lead to significant, career prospects within the mainstream finance functions.

MANAGER INTERNAL AUDIT

As a qualified accountant your experience will include a spell with a major audit firm followed by a number of years in Internal Audit in an international commercial environment. The preferred age range is early thirties and we are offering a salary of c. £20,600 plus large Company benefits which include a car, BUPA and overseas travel allowances. Relocation assistance will be given where appropriate. Ref: 531/FT.

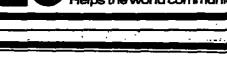
INTERNAL AUDIT SENIOR

With one year's post qualification experience with a major professional audit firm you will be aged 25-30 and eager for a career in a commercial environment. We are offering a salary of c. \$17,000 and associated large Company benefits including overseas travel allowances. Relocation assistance will be given where appropriate. Ref: 533/FT.

For both these positions, the successful candidates will be highly competent, self-motivated people, able to accept considerable autonomy and responsibility and who can demonstrate good interpersonal skills and management experience. A knowledge of computer based accounting systems is desirable.

Please send full CV, quoting the appropriate reference, to: Recruitment Manager, Cable and Wireless plc. Mercury House, Theobalds Road, London WC1X 8RX or telephone for an application form on 01-405 4980

🖴 Cable and Wireless



Key Financial Roles Maidenhead, Berks.

Ashton-Tate is recognised as a pioneer in the development and marketing of business software and is now one of the largest microcomputer software companies in the world. The group has exciting plans for growth and now seeks additional financial expertise:

Financial Director (designate)

c.£23,000 + car + share purchase scheme

Reporting to the Managing Director with full responsibility for all financial/ management accounting, the continued development of computerised systems and internal controls are key tasks. For this high profile role, we seek a high-

calibre qualified accountant, probably aged late 20's/mid-30's with sound commercial experience and an appetite for hard work. The person appointed will have a strong influence in company

European Financial Analyst c.£17,500 + benefits + share purchase scheme

Responsibilities in this new career appointment will include developing timely and accurate management information, analysis and consolidation of financial statements, profit planning and implementing a forecasting system within
Price Waterhouse Europe. Some foreign travel will be involved. Management Consultants

accountant or MBA with a high degree

of ambition.

If you are keen to contribute to the success of a fast-growing, marketingdriven company, please write in confidence enclosing full CV and quoting reference MCS/2025 to Milton Ives.

The position will appeal to a young, qualified Thames Court, 1 Victoria St Windsor Berks SL4 1HB

Price Waterhouse



MONTAGU, LOEBL, STANLEY & CO. (STOCKBROKERS) FINANCIAL CONTROLLER

We require a qualified accountant to succeed our financial controller

The successful candidate will be responsible to the Chief Executive for management controls, Stock Exchange returns and must be familiar with computerised accounting and systems.

The position carries management status and for the right person rapid promotion in an expanding business. Montagu, Loebl. Stanley & Co. will become a subsidiary of the Save & Prosper Group in April 1986.

The remuneration package which will be attractive, will be subject to negotiation. Please reply in confidence to:

Mr R. A. D. Froy, Montagu, Loebi, Stanley & Co., 31, Sun Street, London EC2M 2QP

ACCOUNTANCY APPOINTMENTS APPEAR EVERY

THURSDAY

for further information

contact

01 248 4864

Return to the Profession

Financial Controller

c. £25.000 + Car

Continuing expansion of our firm (70 partners in 15 UK offices) increases the responsibilities and demands placed upon our Financial Controller.

To the requirement for production of management and financial accounts, budget preparation and leading a small Accounts Department team, is added a demand for advice, interpretation and recommendations to the managing partner.

The successful candidate is likely to be in his/her early 30's, professionally qualified with relevant experience probably gained in a Group situation. Interpretative ability, lucid thinking, results orientation and energetic approach are the keys to success in this position.

Please apply in writing with a concise CV to:-

Penny Alison (Miss), Director of Personnel, Robson Rhodes, 186 City Road, London ECIV 2NU.

ROBSONMRHODES

GHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Career Opportunities with a Major British Group For 2 Young Qualified Accountants North East, Initially to \$14,500

Reorganisation and internal promotion within a major division of a leading British quoted group, has created a requirement for 2 high calibre young qualified accountants. Each will be assigned to a specific business unit within the division, which is engaged in the manufacture of quality branded consumer products for competitive markets. Prima emphasis is on the day to day management of a specific finance function, requiring the preparation and interpretation of detailed management accounting information with full supporting and variance analysis, to exacting deadlines. Additional responsibility includes the establishment and maintenance of fully integrated costing systems utilising sophisticated IBM based D.P. facilities, micro-computer based financial modelling and the management of a departmental staff of 10. Candidates aged under 35 must be qualified with extensive computerised accounting experience and will see these appointments as their mext progression in a financial managerial career in manufacturing industry. Promotion prospects are excellent.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to A.D. Kelly, Hoggett Bowers pic, 4 Mosley S NEWCASTLE UPON TYNE, NEI 1DE, 9632 327455, quoting Ref. 44274/5/FT.

Hoggett Bowers

UK Accounting Manager High Technology

Berks, c. \$25,000, car

This company is a relatively small progressive, high technology company of American parentage and is growing rapidly but sensibly under a mature professional British management. The Finance Department has a small staff and a VAX

11/750 and the major objective is to develop and manage the accounting for the UK operation in a way that fully contributes to the business and its growth. Candidates, most probably CA will be aged 30–35 with experience of American financial reporting in a high technology situation. They must be high technology situation. They must be independently minded and be able to work at board level with no supervision. The company is still comparatively young and career prospects are

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to H.W. FitzHugh, Hoggett Buwers plc, 1/2 Hanover Street, LONDON, W1R 9WB, **01-734 6852**, quoting Ref: 19008/FT.



Group Chief Accountant c.£20,000 + car + benefits

An expanding and highly profitable publicly quoted group of companies with an annual worldwide turnover of approximately £100m who are engaged in advanced lectronics and precision engineering products needs someone to take responsibility for the day to day running of the group's finance function in Newbury and assist the Financial Director in all aspects of financial control of the

Based in Newbury, Berkshire, the successful candidate must have had a first class professional training followed by substantial general experience at corporate level. He/she

will also need intellectual agility, flexibility, an entrepreneurial streak and a pleasing personal authority. Due to the pressures of the job, a sense of humour would

To apply please write quoting ref: MUB64 to the Managing Director, Executive Selection Division, 18 Grosvenor Street, London W1X 9FD.

ESD is the Executive Selection Division of EAL



Head of Finance

Establishing Sound Financial Links for Worldwide Communications

Southampton c.£25K

in maintaining a complex submarine cable network, the Marine Services Division of British Telecom International provides the UK with vital international communications links.

This is a senior position reporting to the Divisional Director, with professional functional responsibility to BTI's Chief Finance Officer, and offers an exciting opportunity to assist with the development of business worldwide in growth areas created by both offshore oil fields and enhanced cable technology. In building up the £20 million turnover Division into a fully commercial profit centre, tasks will span strategic planning, cost accounting and financial performance analysis. Increasing the flow of sophisticated information across the operational base will also be important.

A shrewd, far-sighted professionally qualified

accountant, ideally with a degree in a business-related disapline, you must have substantial experience at senior management level, preferably gained in a shipping or manufacturing environment. Computer systems exposure is essential and major contract supervision would be a distinct advantage. Preferred age range: 30-40.

The remuneration pockage reflects the importance of this position. Salary will be negotiable around £25,000 and benefits are comprehensive. Prospects within this rapid growth environment are excellent.
Please write with a full c.v. to Alan Hall, British Telecom International, Room 820, Holborn Centre,



Group Accountant -Advertising/PR

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Recruitment Consultants

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Central London c.£20,000 + benefits



substantial group billings, is seeking an accountant for their London

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For further information, please telephone Robert Walters or Carolyn O'Brien on 01-734 0493 or write giving brief details to the address

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Our Client, an advertising agency with

The agency has developed a number communication services.

The successful candidate will probably come from a similar industry background, is likely to be qualified and will head-up an accounts department of six staff in this newly created position. Age is less important than relevant experience.

shown.

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International C.A.s-London

£20,000 plus + car + benefits

Ernst & Whinney is one of the most rapidly expanding accountancy firms with a highly developed sense of the market opportunity.

To support further practice growth planned for 1986, outstanding career opportunities can be offered in Corporate Services work to ambitious qualified accountants or MBA's with a minimum of five years relevant post qualification experience. Specific requirements are in:-

CORPORATE FINANCE

-where the need will be for the preparation and presentation of imaginative proposals backed by computerised financial models and a thorough knowledge of the alternative sources and methods of finance.

CORPORATE ADVICE

-where extensive experience of Stock Exchange requirements and reports, viability studies and acquisitions and general investigative work will be required.

For those demonstrating sound technical capability, a flair for inter-personal skills and a keen sense of commercial awareness, prospects in the medium term will be first class.

Relocation assistance, where appropriate will be provided.

Please write with full C.V. to Barry Compton.



Becket House, 1 Lambeth Palace Road, London SE1 7EU. Tel: 01-928 2000.

ACCOUNTANT ~ a senior role in a small team

c £18k + benefits

Our client is a major North Sea Operator committed to an expanding programme of offshore activity. Discovery of a new oil and gas field has meant continued company growth and prospects for the future are exciting.

A vacancy has arisen in our Management Accounting department based in Aberdeen, for an Exploration Accountant. Your job will be to provide a complete financial service for all of the operator

exploration licences. This will involve

★ the preparation and presentation of budgets to senior management and joint venture partners

* the preparation of monthly statements of account forecasting cash requirements to ensure that there are sufficient funds to meet exploration

★ liaising closely with other technical departments

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- 0

This challenging post promises both early responsibility and the opportunity to work with staff at all levels. You will be a senior member of a small team dealing with all financial aspects of Exploration Activities.

You will be a qualified Accountant, of a ou wit of a quanted Accountant, of graduate calibre in your late 20s/early 30s and with at least 2-3 years' post qualification experience in an oil related environment. It would also be advantageous if you had a knowledge of modelling/reporting software packages.

The company benefits include an excellent relocation package, pension and life assurance scheme and a subsidised staff.

If you feel that your background meets the equirements of this demanding position, send a detailed CV including current salary to B. Forbes, address as below or phone for an application form. All applications will be treated in

PA Advertising

Windsor House, 12 Queen's Road, Aberdeen AB1 6YT Tel: (0224) 645566 Telex: 73182

CONNELLY

Financial Controller

Wimbledon, S.London c£18,000 plus car

We have been retained to recruit a qualified accountant for Connolly Brothers Limited. Our client is the foremost company in the preparation of finest quality leather. Their prestiglous client base is drawn from the major names in the automotive and furniture industries.

Though established in the nineteenth ceritury, recent growth to a tumover of £24 millions with a staffing level of 480, has necessitated the appointment of a Financial Controller.

For the successful applicant, probably aged between 26-35, this newly created position represents a demanding and challenging role.

Managing a small team — four at present — responsibilities will include all general account-

ing, budgeting, forecasting, costing and preparing

management reports.

You will also be expected to recommend and implement operational innovations — where appropriate — to enhance the profitability of the business and its associated companies. As 45% of output is for export, an awareness of currency markets will be required.

Career prospects are excellent and a generous career prospects are excellent and a generous range of company benefits apply.

In the first instance apply with full curriculum vitae to jonathan Fisher, Joslin Shaw Limited, Bell Court House, 11 Biomfield Street, London, EC2M 7AY.

RECRUITMENT ADVERTISING

BBC APPOINTMENTS

MANAGEMENT ACCOUNTANT Central London £12,500 --- £16,000 approx* The world of the BBC is large and varied. As a member of one of our multi-discipline activity review teams, you would play a vital role in the assessment of the effective and officient use of resources.

A young, qualified (ideally ACMA) accountant, you should have the ability to contribute towards the achievement. of these objectives. (Ref. 9081/FT)

ACCOUNTANT Manchester £10,134 -- £13,140*

To provide a management accounting and programme costing service to our Manchester Network Production

As deputy to the Head of Finance, you will be responsible for the preparation of accounts, statistics and programme costs, as well as managing a Hewlett-Packard

mini-computer and developing accounting systems.
In addition to a professional qualification, you should have practical computer experience and be able to supervise support staff. (Ref. 9053/FT)

We are an equal opportunities employer *Salary ranges quoted are effective (at March 1986. Relocation expenses considered. Contact us immediately for application form (quote ref. and enclose s.e.e.) BBC Appointments, London W1A 1AA.

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City Treasurer

£27,864 to £30,456

Sheffield is England's fourth largest City. The City Treasury has a fine reputation for managing The Council is seeking a forward looking manager, with appropriate financial qualifications preferably CIPFA, and with proven experience at a senior level of financial management and control in a large local or public authority. Interpersonal skills of a high order are essential for the manager to lead a department of over 500 staff in a progressive industrial relations

As a member of the management team of Chief Officers, and responsible for the financial management of the City Council's affairs, the City Treasurer is expected to contribute to the new initiatives being developed by the Authority in economic and financial planning and information technology.

Post re-organisation Sheffield has been nominated as the lead Authority for the administration of the County's superannuation fund.

Details and application forms from:
THE PERSONNEL DEPARTMENT, TOWN HALL, SHEFFIELD SI 2HH
TELEPHONE (0742) 735417. CLOSING DATE 31st JANUARY 1986 If you wish to discuss the post further, please telephone Rod Knowles, Chief Personnel Officer on (0742) 734081

City of Sheffield

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- - .-

ACAs - EUROPE neg. to c. £22,000

Based in CENTRAL LONDON, our client is an INTERNATIONAL OIL MAJOR with interests in NORWAY, BELGIUM, ITALY, GERMANY, FRANCE, SWEDEN, SWITZERLAND, DENMARK, SPAIN, SOUTH AFRICA and other locations in the AFRICAN CONTINENT.

Significant travel is involved as, due to recent internal promotions, there are no less than 4 vacancies to be filled in the £17,000-£22,000 salary band.

The entry point is a training ground for above average young ACAs with a relevant language facility, aged 22-35, male or female with an interest in general TROUBLESHOOTING and/or gaining additional professional skills in the D.P. area.

Contact: G. D. MAXWELL, Managing Director

ACA/ACCA/ACMA to £18,000 + car

Based in HIGH WYCOMBE, our client is a £30m turnover subsidiary of a major BRITISH RETAIL GROUP.

Due to reorganisation and the upgrading of the quality and depth of financial information as a priority, there is now a requirement to fill the newly created position of FINANCIAL ACCOUNTING MANAGER.

The successful candidate will have overall responsibility for a total staff approaching 50 currently capably managed by a number of experienced section leaders.

This is a career position with a very go-ahead fast growing public company. Contact: Lynne Attwood 1-3 Mortimer St., London WI

Tel: 01-580 7695/7739 (direct) 01-637 5277 ext 281/2



Financial Manager **Corporate Finance**

c£30,000 + car + banking benefits

Our client is a leading U.S. international bank with a long established presence in London. Internal promotion has created an exceptional opening for a high calibre accountant to fulfil a key role within their

corporate finance department. Reporting to the Managing Director in London, the Senior Financial Adviser will principally be responsible for all accounting and administration matters relating to the organisational unit including financial control and reporting, and analysis of operational performance and product profitability.

An ACA with a relevant degree, you will be aged 28-32 with a minimum of 4 years' post qualification experience, at least 2 years of which must have been gained within a financial institution. You must be able to communicate effectively and will

possess the necessary interpersonal skills to establish immediate and long term credibility within this high profile U.S. environment. Previous exposure to developing and maintaining accounting systems, policies and procedures ideally using personal computers is essential, as is the ability to make a personal contribution at all levels of the business.

The excellent salary will be augmented by an attractive benefits package including bonus, noncontributory pension scheme, mortgage subsidy and

If you feel you have the necessary experience, drive and initiative for this challenging role please write to Ken Proctor, Executive Division, enclosing a comprehensive C.V., quoting ref. 300, at 39-41 Parker Street, London WC2B 5LH.

Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney A member of the Addison Page PLC group

Financial Controller

(Director Designate) West Midlands Circa £21,000 + Car

This is a key appointment with a well established and profitable manufacturing company, with a turnover in excess of £6 million. The position is viewed as vital to future growth and expansion and the jobholder will be expected to make a significant contribution to the development and profitability of the company.

Reporting to the Managing Director you will assume responsibility for the complete finance and accounting function with key tasks including: * Reviewing management

information systems

* Finance and cash control * Budget preparation and control

Ideally aged 35-45 years you should be a qualified Chartered Accountant and possess a broad financial/ accounts management background. In addition you should have experience of developing management and financial information systems in a computerised environment.

The attractive remuneration and benefits package includes assistance with relocation in appropriate cases. Prospects are excellent, with the

Price Waterhouse



opportunity to progress to Finance

Director a genuine and achievable

personal details and quoting

MCS/8604 to Philip Gardiner,

Executive Selection Division

Management Consultants

Price Waterhouse

Birmingham B3 2JB

Livery House, 169 Edmund Street

Candidates, male or female, should

apply in writing enclosing full career and

Head of Internal Audit **Major Financial Group**

to £30,000 + low cost mortgage + car

Occupying a strong and central position in the world's major financial markets, our client is one of the City of London's leading financial institutions. With subsidiaries and offices throughout the world, the group is committed to international development and is undergoing rapid growth.

Following the promotion of the present incumbent, the group is seeking a replacement to head its Audit Department. Planning, guiding and reviewing the work of a small team, the Head of Internal Audit will be responsible for ensuring the maintenance of business control in the

group's operations. Based in London and travelling approximately 25% of the time, he or she will work closely with senior management and will be in a highly visible position which should provide considerable promotion opportunity. Aged 28-35, applicants should be graduate Chartered Accountants with management

experience gained either in the "Big Eight" or in commerce. Please write, enclosing a career/salary history and daytime telephone

number, to David Hogg FCA quoting reference H/356/AF.

Management

125 High Holborn London WC1V 6QA

INTERNATIONAL TAX AND AUDIT Berkshire based

Avis, a world leader in car rental and leasing seeks the following professionally qualified staff for its Europe, Africa and Middle East (EAME) Division Headquarters at Bracknell:

International Tax Accountant circa £15,500 + car

For a qualified accountant with some experience of U.K. compliance and double taxation relief, this is an ideal opportunity to expand your knowledge into.

European and U.S. taxation matters within our EAME tax department, as well as developing yourself further through projects and research on U.K. and European tax issues. issues. Some European travel would be required. Non qualified candidates should not be deterred from applying if they can demonstrate significant corporate

nence in a commercial environme

International Auditors

£15.000 + carDue to recent promotions into line management, we are currently looking for high calibre candidates to join our international audit function: The areas of operation are mostly in Western Europe with additional trips further afield. Although the work is based on audit techniques, emphasis is directed towards management assistance.

assistance.
Aged 24-28, a graduate ACA with a good examination record and large firm experience, you should possess the ability to fraise with management at all levels and work well within small professional teams. Good arol and written communication skills and a desire to travel (approximately 75% — individual assignments last up to 4 weeks) are essential.

To apply for either of the above, please send a brief c.v., or phone for an application form, to:
Mr. V. Wasserman, Avis Management Services,
Avis House, Bracknell, Berks RG12 1HZ. Tel: 0344–426644.

We try harder



Young Accountants **International Equities**

£16-22,000 + low cost mortgage

Part of a major banking group, our client is a significant force in the international equities market. Following acquisitions in both stockbroking and market making, the company is undergoing rapid expansion and is in the front line of the "revolution" in the finance sector.

Based in London and working as members of the small financial management team, the Accountants will be involved in the development, preparation and interpretation of management information in this fast changing environment. Participating in the

implementation of systems, they will be highly exposed to senior financial and operations management throughout the organisation. The rapid growth of the company should provide considerable promotion prospects.

The company will consider applications from graduate accountants (ACA or ACMA) ranging from newly qualified up to those with 3/4 years post qualification experience.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference Lloud H/360/YF.

125 High Holborn London WC1V 6QA

design and

01-405 3499

Director of Finance

City

Salary + Benefits c £50,000

Our client is a major professional firm with operations both in the City and overseas and has enjoyed substantial growth in recent years. To accommodate its continued planned expansion, the firm has recently carried out a review of its management and professional structure and has identified the need for a Director of Finance to play a crucial role.

Reporting to the Managing Partner, his/her responsibilities will cover all aspects of the firm's financial planning and management, which, it is fully recognised, will require the support of up-to-date systems and technology Candidates who are likely to be aged between 35-45 who can demonstrate both tact and

strength of purpose will be Chartered Accountants with strong commercial experience gained preferably in a large professional or financial services organisation. The salary and benefits package will not be a limiting factor in this challenging and

demanding appointment. Interested candidates should send a detailed CV to Don Day FCA, quoting reference LM81/2at Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friers, London EC3N 2NP.



Spicer and Pegler Associates

Management Services

Finance Director (Designate)

Management

Home Counties

to £20,000 + car + benefits

Our client is one of the country's leading interior design companies specialising in fitted kitchens, bathrooms and bedrooms. Due to continued rapid growth, they now wish to appoint a Finance

Director Designate for one of their highly successful subsidiaries. This is an excellent opportunity for a young qualified accountant to develop the finance function and rapidly become involved in the running and developing of the business in a general management

Candidates for this appointment will be aged 26-30 years, who have gained good commercial experience in a highly sales orientated

Interested applicants should write, in confidence, enclosing a detailed resume, quoting reference no. 11/90 to:

AGB Recruitment

173 Sloane Street, London SW1X 9QG Telephone: 01-235 9891

Excellent salary + Package negotiable City

THE BANK OF ENGLAND wishes to appoint a Chartered Accountant to manage its

FINANCIAL ACCOUNTING MANAGER

financial accounting function. Primary responsibilities will be the preparation of published and internal accounts and statements, all tax matters and the provision of ad hoc financial accounting advice through-

Candidates should have a minimum of three years' post-qualification experience and be able to demonstrate a comprehensive knowledge of financial accounting, computerised accounting systems and corporate tax, with the ability to apply this acquired knowledge and experience in problem solving.

Candidates, aged 28-35, should have proven abilities in the leadership of a professional team, possessing communications skills for liaison with senior staff. As well as being of interest to candidates with commercial and industrial experience, the post could offer an excellent opening for well-qualified candidates wishing to make a first move away from a professional

This opportunity represents a challenging appointment in a stimulating environment for the exceptional candidate who meets the required personal and technical attributes. Please apply in confidence to: Stephen Mawditt,

Managing Director, Senior Management International

Executive Search Consultants



Company Notices

JOINT-VENTURE BAIL plc

UNITED GRAIN PRODUCERS

BAII ple and UNITED GRAIN PRODUCERS LTD have the pleasure in announcing the establishment of a joint-venture company UNITED GRAIN TRADERS, the purpose of which is to provide investment and working capital

for farming cooperatives.

It will enable the cooperatives to draw on substantial credit lines at advantageous terms for the normal trading The new company will be jointly managed by BAU and UGP.

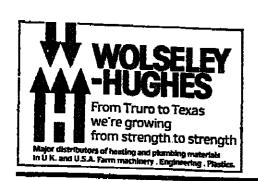
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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday January 16 1986



Kaiser plans refinancing to fight takeover bid

BY TERRY DODSWORTH IN NEW YORK

KAISER ALUMINUM, the US alu- amount of which had met with critinisation vesterday which will in-

The plan follows a \$175m net charge against its aluminium business earlier this year. In the new company. These will embrace the reorganisation, Kaiser said it will aluminium and industrial chemical form a holding company, refinance its \$1bn of bank debt and raise new my's oil and gas business, its induscapital through issues of preferred trial and speciality chemicals joint stock and subordinated debt securities.

Kaiser had been expected by Wall Street to make a move to pay down some of its bank debt, the

minium company fighting a \$786m cism from the Frates group. Under bid from J.A. Frates of Oklahoma, the new structure, responsibility for announced a wide-ranging reorga- the refinancing will fall to the new volve raising new capital that the bank borrowings progressively should help to make it less vulner from the proceeds of the stock and securities issues.

ny's oil and gas business, its industhe cash raised through the pro-gramme will be devoted to acquisi-

man and chief executive, described the project as another major step in the strategy the company had pursued over the past few years.

"A key objective of the strategic plan has been to improve our financial position. This proposal allows us to do that and much more," he

Kaiser has been advised on the reorganisation by Drexel Burnham Lambert, the New York investment bank which is better known for helping finance aggressive takeventure and acquisitions. Some of overs through the use of high-yield the cash raised through the provised the company that the plan was reasonable and should be tions to diversify the company. was reasonable and Mr Cornell Maier, Kaiser chairpossible to implement.

First Wachovia returns strong growth as loan provision rises

BY PAUL TAYLOR IN NEW YORK

merger of North Carolina-based Atlanta, yesterday reported a 20 per previous year.

Ors

cent increase in 1985 net earnings. The group, which had year-end by 14.8 per cent or \$1.7bn in the full assets of \$17.7bn ranking it among year and by 11.2 per cent of \$1.4bn the 25 largest banking groups in the in the final quarter, while net inter-US, said full-year net income in-est income grew by 11.6 per cent or creased to \$187.7m or \$3.51 a share \$71.6m in the year and by 11.7 per from \$156.4m or \$2.97 a share in 1984. First Wachovia said it restated

all its results to reflect the merger. Net earnings per share last year include an 18 cents a share after-tax sults, First Wachovia reported a gain in the first quarter offset by 11 dramatic jump in its provision for cents a share in merger-related ex- loan losses. The full-year provision penses and a 10 cents a share addi-doubled to \$80.7m from \$40.2m, tion to the final quarter provision fuelled in part by a rise in the provi-

slightly to \$43.1m or 80 cents a shure from \$42.1m or 80 cents a an increase in net loan charge-offs,

optimistic

by 4 per cent to DM 3.1bn (\$1.26bn).

Feldmühle expects sales of paper

Feldmühle is a key company of the Feldmühle Nobel group, known as the Flick concern until the end of

last year when it was bought by Deutsche Bank. The bank is resell-

ing the group through a public

Feldmühle attributes its profits

rise in 1985 mainly to rationalisation, an improved product range and lower costs. The company did

not disclose profit figures. The

number of employees rose by 2 per cent to more than 8,700.

Sales of technical products were up by an above-average 7 per cent.

penses and securities gains com-Wachovia and Atlanta-based First pared with securities losses in the from \$120m or 1.34 per cent of total

> Average earning assets increased year and by 11.2 per cent of \$1.4bn

cent of \$19.2m in the quarter. Like most other major US banking groups which have reported their full-year and final-quarter reor loan losses. sion in the final quarter which was increased to \$30.4m from \$12.8m. The higher provisions reflected

share in the same period a year which increased to \$52.6m from

FIRST WACHOVIA, the expanding growth in loans, higher net interest strengthening in the group's year-south-east US banking group income, increased non-interest end reserve for loan losses which formed last month by the interstate revenues, control of operating extotal loans at the end of December loans a year earlier.

• European American Bancorp lifted fourth-quarter net profits from \$13.1m to \$14.6m, taking 1985 net earnings to \$20.7m.

This compares with a loss of \$132.8m in 1984, when the consor-tium bank of the EBIC group made loan-loss provisions of \$147.6m. The provision in 1985 fell sharply to \$60.5m. However, the 1985 profit figures include a \$12m gain from the sale of a building in Roosevelt

• Republic New York, the bank holding company controlled by the banker Mr Edmond Safra, boosted fourth-quarter earnings from \$25.1m or \$1.33 a share to \$32m or \$1.59, taking the total for the year to \$20.8m for the full year and to \$122.1m or \$5.98 a share, compared The banking group attributed the \$21.4m from \$9.1m in the final quar- with \$96.5m or \$5.49. Year-end ashigher 1985 full-year earnings to ter. There was also a further sets rose from \$12.4bn to \$15.3bn.

Feldmühle | Abbott lifts earnings 15% on higher income

on outlook By Jonathan Carr in Frankfurt son yesterday with a 15 per cent FELDM(IHLE, the diversified West rise in 1985 net earnings.
Profits emerged at \$465.3m or German paper and board manufacturer, is optimistic about business

\$3.88 a share, broadly in line with prospects this year after raising Wall Street estimates, and up from \$402.6m or \$3.34 a share in 1984. profits in 1985 on sales revenue up has notched up a long run of quarand of its technical products, includ-ing ceramics and rubber mouldings, to increase further, buoyed by the strengthening domestic economic

ABBOTT LABORATORIES, the big US health care company, kicked off the drug companies reporting seating the total for the year to \$3.36bn ing the total for the year to \$3.36bn The company said yesterday that sales of pharmaceutical and nutritional products, which accounted

The Illinois-based concern, which

for 55 per cent of total revenues and 69 per cent of profits in 1984, rose 9.4 per cent last year. Sales of hospital and laboratory products rose 6.9 per cent.

ter-to-quarter earnings advances.
Wall Street expects further profits from \$123.1m or \$1.02 a share to \$141.4m or \$1.18.

Delhaize sees lower result

BY PAUL CHEESERIGHT IN BRUSSELS DELHAIZE Le Lion, the Belgian supermarkets chain in the south-

the US, expects lower consolidated year as the num profits for 1985 but its dividend will to 317 from 251. at least be maintained at the 1984 level of BFr 115 (\$2.30) a share.

Food Lion, the group's expanding 1985 to \$482m from \$538m in 1984. pand its presence.

supermarkets group which earns eastern US, increased turnover about 70 per cent of its revenue in from \$1.47bn in 1984 to \$1.86bn last year as the number of outlets rose

level of BFr 115 (\$2.30) a share.

The group said yesterday the decline in consolidated profits arose from the fall in the dollar's value in continues. Turnover declined in continues. Turnover declined in 1984. Losses at Food Giant, the super-

Amax in metal division shake-up

Editor, in London

AMAX, the US natural resources group, has embarked on a big reorinto two main sections. Amax Mineral Resources will be the operating arm and Amax Mineral Sales will

be the selling organisation.

Mr Allen Born, the company's
new president and chief executive officer, said: "The reorganisation represents an integrated approach to the metals business and also reflects the smaller size of Amax's metals organisation." Expected benefits of the move include increased fficiency and cost savings.

In the past six months, Amax has sold its 25 per cent stake in the Mount Newman iron ore venture in Western Australia; withdrawn from the BCL nickel-copper project in Botswana; closed the Port Nickel sion in Western Europe, gave the refinery in Louisiana and the Anamax copper mine in Arizona; and announced the phasing-out of its smelting and refining operations at Carteret, New Jersey.

Operations retained include mo-

lybdenum, tungsten, speciality me-tals, magnesium, lead, zinc, aluminium, silver and gold. Amax also announced that it now owned all the UK Hemerdon tungsten project in

Goodrich charged by SEC

B.F. GOODRICH, the US tyres group, was yesterday charged by the Securities and Exchange Commission (SEC), with reporting and proxy violations in connection with a \$41m "greenmail" payment to corporate raider Mr Carl Icahn in 1984, AP-DJ reports from Washington.

Goodrich has settled the SEC's administrative proceedings without admitting or denying any wrong-

In its administrative order the SEC alleged that in November 1984 Goodrich repurchased from Mr Icahn almost 1.2m of its shares, or ing, at \$35 a share - 25 per cent premium over the market.

However, the SEC charged that the company's 1984 annual report failed adequately to disclose that it bought out Mr Icahn at a premium. Instead, according to the SEC, the company said Mr Icahn's repurchased shares would be used to fund employee benefit and pension plans or for projected acquisitions

The company's proxy statement indicated that it had not paid "greenmail" to Mr Icahn and did not identify Mr Icahn as posing a takeover threat to the company in the autumn of 1984.

Aegon starts takeover talks

AEGON, the Dutch insurer, has begun talks to buy Nederlandse Ver zekerings Groep for an undisclosed

Nederlandse Verzekerings is a small regional insurer with assets of Fl 82m (\$29m). Its annual prem-ium income for 1984 was Fl 30m. It operates in the northern Nether-lands where Aegon wants to ex-

John Davies in Frankfurt reports on battle in Europe's fertiliser market

The growing business of BASF

n the fertiliser business - a commercial "battlefield" in which large internationally active companies are locked in fierce competition.

Three years ago BASF slashed fertiliser prices to hold on to European markets. But since then it has streamlined production and marimprovements and lifted prices to more economic levels.

After losing DM 40m (\$16.3m) in fertilisers in 1983 and DM 10m in 1984, it made an undisclosed profit BASF now feels stronger in the sector, although competitors, too, have not been idle. The Norwegian-based Norsk Hydro, Europe's big-gest fertiliser group, gained a firm foothold in West Germany by buying the fertiliser operations of Veba oil last July. That move, part of

group, has returned to profitability pressures by closing fertiliser in the fertiliser business - a com- works at its headquarters near Frankfurt at the end of 1984 and by concentrating various operations at Oberhausen in the Ruhr. The shake-up in the fertiliser business stems from a combination

of factors. Companies with favourable access to natural-gas raw material have been adding strongly to price competition. The West Ger-mans, who have long contended with fertiliser imports from Eastern Europe, have also been confronted with fierce Dulch competition. At the same time, with farm in-

last year in that segment of its wide-ranging chemical operations. pean countries, including West Germany (although it has been rising in France and the UK).

BASF, with capacity to produce German market and about 8 per cent of the West European market. With Norsk Hydro the clear market sion in Western Europe, gave the Norwegian group over 20 per cent of the West German market. sees itself as a runner-up along years was aimed not at growth but supplied from their own production with three strong rivals - AZF of at becoming more competitive plants.

Hoechst has responded to market France, UKF of the Netherlands, BASF had set about improving its ressures by closing fertiliser and Britain's ICI. BASF lifted its sales revenue

slice of BASFs total world sales revenue, which is likely soon to be uctivity of plants. heading towards DM 50bn a year.

a prelude to beavy investment in Castrop-Rauxel in West Germany. Restructuring went further at the

about 6m tonnes of fertiliser a year, ber of other fertiliser operations has more than a third of the West within the BASF group were brought into the parent company. head of BASF's fertiliser division, leader in Western Europe, BASF said the group's strategy in recent

beginning of this year, when a num-Mr Karl-Heinz Tillmann, the

best possible logistical link among from fertilisers by 7 per cent last its eight production plants in West year to DM 3.1bn, with half the increase due to price rises and half to Technological improvements had extra volume. That is a moderate reduced energy and raw-material requirements and raised the prod-

Mr Tillmann said BASF re-As part of the industry's restructuring, BASF in mid-1982 bought
the Belgian company Fison-UCB.
BASF took another step towards
strengthening its position by buying out its equal partner in Gewerkschaft Victor two years ago as
a prelude to heavy investment in

He said that tough competition the company's fertiliser works at had already led to a decline in the "This process is still going on," he

> Although fertiliser use was likely to rise in developing countries, BASF did not envisage expanding production to increase its exports to such markets, Mr Tillmann said Ideally, such countries should be

Superfos expects profit slide after weak performance in US

BY HILARY BARNES IN COPENHAGEN

SUPERFOS, the Danish chemical s- fierce price war in the US market, cial items were also satisfactory, giant, said its 1985 pre-tax earnings will slide to a break-even level after heavy losses in the fertiliser division and especially as a result of last year's acquisition of the US

September the group forecast 1985 earnings of DKr 175m (\$19.3m), down from DKr 311m in 1984. The group said that it expects earnings to return to a more normal level fairly quickly and it will therefore maintain the 12 per cent dividend. The poor performance by the fertiliser division was blamed on a

where Superfos acquired Royster with effect from January 1 last year, plus the strong dollar, which inhibited Royster's export business. In Denmark earnings by the fer-

Royster group. tiliser division were affected by In a half-year interim report last European sales at dumping tiliser division were affected by prices, said Superfos. The weakening of the dollar together with rationalisation and measures to improve efficiency by

the Royster group will improve earnings in 1986, the group said. The group's other two divisions, agri-business and industry, performed strongly in 1985 and finansaid the group. The full results for last year will

be published on March 11. Mr Jørgen Trygved, managing di-rector said "We have done a lot of

things to Royster. We have reduced the labour force by about 150. We have put in a new management team and we have refinanced the whole thing, which will save us a couple of million dollars a year."

"Prices are getting better and we now have a margin, so we have enough to say things will be better in 1986."

Barkman to acquire building groups

By David Brown in Stockholm

BARKMAN, the Swedish trading and finance company, has agreed to take over Tornet, a construction and property group, and Faluhus, the prefabricated wooden house producer, in a deal worth SKr 540m

The deal, announced following a suspension in trading of Barkman shares on the Stockholm bourse, implies a reorganisation within the group of companies associated with Mr Par Hammarlund and Mr Rolf

The new reorganised group will have a total annual turnover of some SKr 2bn.

December 1985 New Issue. These securities having been sold this advertisement appears as a matter of record only. These Notes have not been registered under the United States Securities. Act of 1933 and may not be offered or sold in the United States or to U.S. persons as part of the distribution of the Notes.



The Hongkong and Shanghai **Banking Corporation**

(Incorporated in Hong Kong with limited liability)

U.S.\$400,000,000

Primary Capital Undated Floating Rate Notes (Second Series)

HongkongBank Limited

Lloyds Merchant Bank Limited

FUTURES TRADING TO PROTECT CURRENCY AGAINST DOLLAR Mexico to launch peso market

BY DAVID GARDNER IN MEXICO CITY

exchange rate of the peso against the dollar - the rate used for 80 per cent of the country's trade and all its debt transactions, which is set by the financial authorities at a daily fixing.

The aim is to enable exporters

and importers to plan their transactions ahead by providing them with short-term exchange risk cover. Under the new scheme, they will be able to count on up to six months exchange rate "certainty," according to a senior financial official. The measure was to have been introduced in December but, accord-

placement in a more rounded package designed to stimulate non-oil exports on a long-term basis, due to come into effect within the next The move takes place against a background of continuing volatility in the foreign exchange market. The so-called "free market" peso, which last year lost about 120 per cent of its value against the dollar. similar amount over the preceding

The free peso is used for non-essential transactions such as luxury imports and foreign travel. A spate of rumours that the controlled rate was about to be abolished started the free rate's tumble.

Worries about falling oil revenues (which earn Mexico 70 per cent of its foreign exchange and provide 45 per cent of tax receipts), coupled with lack of confidence in the leadership of the Government of President Miguel de la Madrid, are regarded as the two root causes of the ing to the official, was withheld for exchange rate instability of the past

> The fall in oil revenues from \$16.6bn in 1984 to around \$15bn last year, as well as exacerbating the dollar shortage, has obliged the Government to replace the lost tax revenues by monopolising bank credits and milking the money markets, pushing up interest rates to record levels.

MEXICO IS shortly to introduce a fell 17 per cent in two days last. This, in turn, has undermined futures market for the "controlled" week, having strengthened by a government credit policy and weakened the balance of payments as companies have sought out alter-native access to both pesos and dollars. Inter-company lending has shot up: border exchange rates responded like yo-yos to the practice -

ended by the Government in November - of companies depositing pesos in foreign banks here in exchange for dollars made available in the US. The traditional habit of under-invoicing exports and overinvoicing imports, evident in any comparison of US and Mexican tallies of their bilateral trade flows, has also sharply increased.

Foreign bankers, to whom Mexico owes \$96bn and from whom it is seeking more than half its net new financing needs of around \$4.5bn this year, believe capital flight in 1985 to have exceeded \$4bn. This is an addition to the around \$25bn Mexicans are estimated to have on

the new package will aim to provide absorber against speculation.

exporters and importers with easier access to dollars and credits together with export stimulation meatake without inviting protectionist

End-of-year need for peso liquidity among many companies is in fact credited with the sharp strengthening in the peso up to last week. The financial authorities say dollars were being brought back into the country and converted.

This narrowed the spread between the free and controlled rates to less than 10 per cent, whereas it is now, and normally, about 25 to 30 per cent. This de facto trend towards reunifying the two rates led some analysts to believe it was being engineered by Government intervention before formal abolition of the controlled rate.

Officials say, however, that as long as inflation here is running some 60 points ahead of the US. Mexico's main market, a separate Along with the futures market, free rate will be needed as a shock-

Bankers Trust International Limited Bank of China Barclays Merchant Bank Limited Citicorp Investment Bank Limited County Bank Limited Dresdner Bank Aktiengesellschaft Fuji International Finance Limited Goldman Sachs International Corp. IBJ International Limited LTCB International Limited Merrill Lynch Capital Markets Mitsubishi Finance International Limited Samuel Montagu & Co. Limited Morgan Guaranty Ltd Nippon Credit International (HK) Ltd. Nomura International Limited Orion Royal Bank Limited Salomon Brothers International Limited Sumitomo Finance International Shearson Lehman Brothers International Sumitomo Trust International Limited Swiss Bank Corporation International Limited S. G. Warburg & Co. Ltd. Union Bank of Switzerland (Securities) Limited Yamaichi International (Europe) Limited

BankAmerica Capital Markets Group Bank of Yokohama (Europe) S.A. Banque Nationale de Paris Crédit Lyonnais Daiwa Europe Limited Generale Bank KB International (Hong Kong) Limited Manufacturers Hanover Limited The Royal Bank of Scotland plc Sanwa International Limited Tokai International Limited

Bank of Tokyo International Limited Banque Bruxelles Lambert S.A. Chemical Bank International Group Dai-Ichi Kangyo International Limited First Interstate Capital Markets Limited Indosuez Asia (Singapore) Limited Kidder, Peabody International Limited The Nikko Securities Co., (Europe) Ltd. Saitama International (Hong Kong) Limited Takugin International (Asia) Ltd. Toronto Dominion International Limited

Westpac Banking Corporation

INTERNATIONAL COMPANIES and FINANCE

NOTICE TO THE HOLDERS OF

PHARMACEUTICAL CO., LTD. (Yamanouchi Seiyalu Kaboshili Kaisha) 2% PER CENT. CONVERTIBLE BONDS DUE 2000

Pursuant to Clause 7(B) and (C) of the Trust Deed dated November 12, 1985 under which the issued. Notice is hereby given as

Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of December 31, 1985 in for each share held.

2. Accordingly, the conversion price at which the above-mentioned bonds may be converted into shares of Common Stock of the Converse that Stock of the Company has been djusted effective as of January 1, 1986 Japan time. The conversion price in effect prior to such adjustment was Yen 3,471,00 per share of Common Stock, and the adjusted conversion price has been Yen 3,213.90 per share of

MCENTICAL CO., LTD. By: The Suzuitomo Rank, Limited s Principal Paying Agent

January 16, 1986

NOTICE TO THE HOLDERS OF

PLANMACENTICAL CO., LIB. (Yamanouchi Seiyaku Kabushiki Kaisha)

4 PER CENT. CONVERTIBLE BONDS DUE 1990

Pursuant to Clause 7(B) and (C) of the Trust Deed dated October 6, 1983 under which the above ed boads were issued. Notice is hereby given as follows:

1. On November 25, 1985, the

Board of Directors of the Company resolved to make a free distribution of shares of indistribution of shares of its Common Stock to shareholders of record as of December 31, 1985 in Japan at the rate of 0.08 new share for each share held.

for each share need.

2. Accordingly, the conversion price at which the above-mentioned bonds may be converted into shares of Con Stock of the Company has been adjusted effective as of January I, 1986 Japan time. The conversion price in effect prior to such adjustment was Yen 1,483.20 per share of Common Stock, and the adjusted conversion price has been Yen 1,373.30 per share of

PHARMACEUTICAL CO., LID. By: The Sumbomo Bank, Limited as Principal Paying Agent

January 16, 1986

BY LOUISE KEHOE IN SAN FRANCISCO

Valley semiconductor manufactur-er, has reported heavy losses for the fourth quarter of 1985. In addi-tion revenues for the year were down 16 per cent with net income cut by 99 per cent, reflecting the desemiconductor market.

Intel announced it would lay off about 700 people, or 3 per cent of its workforce, as part of an overall

Net income for 1985 was \$2m, or 1

were \$1.4bn, down from \$1.6bn. of \$15m for the fourth quarter, compared to a profit of \$23m for the final quarter of 1984, and revenues were \$318m, down from \$416m.

Losses from operations for 1985 However, he added: "Pricing is totalled more than \$80m, with still quite low. We face a long climb

Intel loses \$15m in quarter

as revenues continue to fall

"Fourth-quarter orders were

INTEL Corporation, the US Silicon \$1.70 a share in 1984. Revenues still are not adequate to sustain curvere \$1.4bn, down from \$1.6bn.

The company reported a net loss of \$15m for the fourth quarter, comthe worst of this cycle; prices are firming in some areas and demand for certain products is increasing."

fourth-quarter operating losses of hack up from a very low base before almost \$35m, significantly worse than most analysts' predictions.

and the low we have a base before we will return to a period of acceptable profitability.

Net income for 1985 was \$2m, or 1 "Fourth-quarter orders were "The long-term outlook for Intel cent a share, down from \$198m, or higher than in the third quarter, but is bright," said Dr Moore.

Amev buys remainder of Australian group

BY LACHLAN DRUMMOND IN SYDNEY

AMEV Australia, the Dutch-owned

owned general insurance associate, VACC Holdings. Amev is in talks with VACC's controlling 51 per cent shareholder, the Victorian Automobile Chamber of Commerce, and intends offering A\$8.69 a share to the chamber and remaining shareholders. Those include other state motor-trade asso-

The proposed offer price com-

This announcement appears as a matter of record only. The Warrants may not be offered

or sold in the United States or to United States nationals or residents.

Goldman, Sachs & Co.

125,000

Series C Warrants to Purchase

U.S. \$125,000,000

9%% United States Treasury Bonds

due November 15, 2015

125,000

Series D Warrants to Sell

U.S. \$125,000,000 9%% United States Treasury Bonds

due November 15, 2015

Goldman Sachs International Corp.

Carolina Builders Corporation

has been acquired by

Wolseley-Hughes, plc.

insurance and financial group, in-tends paying ASS9m (USS48m) to take full control of its 30 per cent-take full control of its 30 per cent-1985. VACC's net profits edged up 1 per cent to A\$7.18m. Premium income totalled AS82m.

Amev will also seek to buy the chamber's stake in Amey Life once it completes the VACC takeover. Amev last year bought out local mi-nority holdings in its Amev-UDT finance subsidiary.

Amev has been a shareholder in VACC since 1969.

Household in \$500m share buyback move

By William Hall in New York HOUSEHOLD International, the

US consumer finance and manufacturing group, is to spend up to 5500m on buying back more than a

fifth of its equity.

The group, which has frequently come under attack from a dissident shareholder group, yesterday said it would begin a cash tender offer for up to 11.5m of its 51.4m common

shares outstanding. The group is offering to buy back its shares at between \$42 and \$46 and said it would determine the per-share price it would pay on the pasis of the number of shares tendered

It will acquire a minimum of 5m shares. All shareholders who validy tender shares at or below the price selected by the company will receive the price selected by the company for the shares accepted

The tender offer will be financed by the proceeds of Household's recent sale of its merchandising unit to a group of investors. Household received \$520m in cash, equivalent to the book value of the unit, and \$125m principal face value of subordinated notes and a 10 per cent equity position in the acquiring cor-

The news of the tender offer did ot come as a complete surprise to Wall Street. This month, when the company announced that the de-cline in its 1985 earnings would be "greater than anticipated," it said its board would at its January 14 meeting consider various ways of using the sale proceeds.

For more than a year, Household's performance has come under fire from a dissident shareholder group, which at one stage attempted a takeover.

North American quarterly results

ARIZONA SANCHEST Bank holding company			RITL. MINERALS & CHEMICALS Fortillogra, animal products			MONTON THICKOL Selt, household products			
Fourth quarter	1985	1984	Second quarter	1955-86	1984-85		1985-86	3	
Reviews	-	_	Reverse	361.2m	377.2m	Revenue	480.4m	448.19	
Net profits	7.94m	5.92m	Net profits	9.5m	34.5m	Not profite	32m	26a	
Net per share	0,74	0,68	Net per share	0.36	1.25	Net per shere		0.5	
Revenue	_	_	Revenue	858.3m	748.4m	Revenue	\$40.5m	844.76	
Het provits	28.5m	22.5m	Net profits	20.2m	71.Ja	Net profits	66.7m	63n	
Het per siure	2.72	2.35	Het per share	0.74	2.62	Net per share	1.41	1.2	
HARTPORD NATIONAL Benk holding company			MARYLAND NATIONA Benk holding company			PACIFIC LIGHTING UNINY			
Pourth quarter	1995	1984	Fourth quarter	1905	1984	Fourth quester	1985	1984	
Revenue	-	-	Revenue	_	_	Revenue	1,37ba	1.355	
Net croffs	22.6ee	19.7m	Net profits	15.9m	13.2m	Net profits	65.9m	43.80	
	1.14	1.08		1.09	0.51	Not per shere	1.39	1.14	
Net per share Year	1,14	1.50	Not per share Year	1448	441	Year			
Revenue	_	_	Revenue	_	-	Revenue	5.00ba	4.780	
Net profits	80.4m	68.5m	Het profits	73m	49m.	Net profits	150.5m	132.7	
Net per abare	4.15	3.60	Net per share	4.11	3.01	Net per chare	3.80	3.50	

IRELAND U.S.\$50,000,000 Floating Rate Notes due July 1992

In accordance with the provisions of the Notes, notice is bereby given of the Notes, notice is bereby given that for the six mouths interest period from 16th January, 1986 to 16th July, 1986 the Notes will carry an interest rate of 81 per cent per assum. The relevant Interest Payment Date will be 16th July, 1986 and the Coupon Amount per \$500,000 will be \$21,682.29.

Bank of Tokyo
International Limited
Reference Asent

Eni International Bank Limited ECU 135,000,000

Guaranteed Floating Rate Notes due 1992 neondenically and inevocably guaranteed to Ente Nazionale Idrocarburi

In accordance with the terms and conditions of the Notes, the rate of interest for the interest period January 16, 1986 to April 16, 1986 has been fixed at 911/16% per annum. Interest payable on April 16, 1986 will be ECU242.19 per Note of ECU10,000.

Morgan Guaranty Trust Company of New York London Branch

January 14, 1986

The Ziff Company, Inc.

has been acquired by

WELL MALA

The Albert Fisher Group Plc

The undersigned assisted in the negotiations and acted as financial advisor to The Ziff Company, Inc.

Salomon Brothers Inc

One New York Plaza, New York, New York 10004 Allanta, Boston, Chicago, Dallas, London (affiliate) Los Angeles, San Francisco, Tokyo (affiliate), Zunch lembar of Major Securiusa and Commodities Exchanges.

This announcement appears as a matter of record only

Sydkraft Aktiebolag (Incorporated in Sweden with limited liability)

DKK 300,000,000 9% per cent. Notes due 1992

Enskilda Securitles

Privatbanken A/S

Bank Brussel Lambert N.V.

Banque Générale du Luxembourg S.A.

Banque Paribas Capital Markets Limited

Copenhagen Handelsbank A/S Credit Suisse First Boston Limited Den Danske Bank Deutsche Bank Capital Markets Limited

Generale Bank

Kredietbank International Group

Morgan Guaranty Ltd

Hambros Bank Limited

Post- och Kreditbanken, PK Banken

Svenska Handelsbanken Group

Morgan Stanley International

Swiss Bank Corporation International Limited

Bergen Bank A/S

Westdeutsche Landesbank Girozentrale Berliner Handels- und Frankfurter Bank

Creditanstalt-Bankverein

Crédit Lyonnais

Dai-Ichi Kangyo International Limited

Den norske Creditbank

Merrill Lynch Capital Markets Mitsubishi Finance International Limited Orion Royal Bank Limited

Kansaliis Banking Group

Sanwa international Limited

Toronto Dominion International Limited

Girozentrale und Bank der österreichischen Sparkassen

Union Bank of Finland Ltd

The undersigned acted as financial advisors to Carolina Builders Corporation in this transaction.

MORGAN STANLEY & CO.

CAROLINA SECURITIES CORPORATION

January 2, 1986

January, 1986

32 ° °

7



Gencor Group



Gold Mining Companies' Reports for the Quarter ended 31 December 1985

Advanced on reef (m) 205 251 States 340 formula as a row call the mining Sundry income—net 5493 7 479 12 972 Income after taxation and State's share	ter Year lad sndad 985 31.12.1985 361 482.429
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DEVEL OPMENT - Kimberley Reaf Advanced	369 345
Average value – gold	158 099 158 099 172 172 172 173 174 175 17
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Nines Limited Company Registration No. 55/03505/056 Issued capital – 12 180 000 shares of R1 each. COMPANY REGISTRATING RESULTS OPERATING RESULTS Mined Ore milled (int) Ore ore milled	
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Big Swiss

banks to

cut bond

commissions

SWITZERLAND'S BIG bank

syndicate, which dominates the Swiss franc bond market, is reducing its commissions, in order to attract foreign bor-rowers, according to a com-munique from Union Bank of

Switzerland.
The syndicate is also intro-

ducing a more flexible quota system among its members, allowing those who do not wish to take up underwriting com-

mitments to waive them, with other members taking up the

This move will "make it possible to give improved con-

sideration to the requirements

of the individual institutions,"

The fee-cetting action by the big syndicate is a response to the increasingly aggressive penetration of the Swiss franc

ssuing market by foreign -

especially American - banks

smaller syndicates. UBS would not disclose the

precise reduction in commis-

and a flattening of the fee

structure on longer maturities

up to 30 years.

A banker from a competing

syndicate said the standard fee

operated by the big bank syndi-cate was 3.75 per cent on a

10-year issue. Other syndicates had been charging 3 per cent

plus out-of-pocket expenses on 10-year issues, giving an overall

fee of around 33 per cent.
On the longer maturities, however, the big syndicate had

already started to conform with

the lower fees charged by rival

syndicates, the banker claimed. One problem has been that

with the easing of commissions

on longer-term bond issues a

15-year issue has come to have the same fee as a 12-year issue in contradiction of the accep-

ted standard that the fee should increase or decrease by 1 per cent per year of maturity. The

big syndicate was seen as try-ing to correct this anomaly by

yesterday's move. The big syndicate, which

UBS said.

Further gains in Eurodollar sector

ANOTHER DAY of recovery in only about 20 basis points above the Eurodollar market, with the 10-year US Treasury bond. prices rising by 1 to 1 point. Traders said the bonds were bid and more in recent issues, close yesterday, while syndication was still in property. tempted Procter & Gamble to close yesterday, while syndication was still in progress.

In the Euro-D-Mark market the first floater issue of the year was launched, for Austria.

Procter & Gamble, the US consumer products group, has consumer products group, has an AAA rating and is a popular name with Eurobond investors.

Even so some dealers said the country and market.

Terms were fixed at an 82 per cent country and market. Rame with Eurobond investors. Terms were fixed at an 84 per Even 50, some dealers said the \$200m issue would be slow to sell unless the market races ahead once more, because the cust of funds about 20 basis terms set were aggressive. Goldman Sachs once again won the mandate, though against limited competition.

The maturity was fixed at 12

Imited competition.

The maturity was fixed at 12 issue managers.

The National Bank of become disenchanted with callable, with a coupon of 9½ Hungary launched a \$100m 15-capped floaters. Most such per cent and issue price of 100½. Year floating-rate note in the With fees totalling 2½ per cent, Far East, led by Daiwa Singathave fallen sharply and the cost to the borrower was pore. The bonds will pay a investors have lost money. As a

Tokyo plans

study of stock

index futures

By Yoko Shibata in Tokyo

THE TORYO Stock Exchange.

which launched a futures con-tract on Japanese government bonds last year, is to undertake a study of stock index futures.

Mr Michio Takeuchi, the

exchange's president, acknow-ledged that investor enthusiasm

for index futures would need to be generated, but said that

the study should be made before demand surged. The

study will be carried out by the Securities and Exchange Coun-

Cil,
The Osaka Stock Exchange,

which has been conducting a similar study since 1983, is

lobbying the Ministry for per-

mission to begin trading the

futures this year.

The Tokyo exchange also

faces competition from the Singapore International Mone-

tary Exchange (Simex), which

plans this year ot introduce

futures on the Nikkei average

of 225 shares.

Sydney Stock Exchange (SSE), whic already trades

(SSE), whic already trades gold and silver options, will

today introduce traded cur-rency options on the Australian

dollar. The contract will be US\$10,000 expressed in Aus-

tralian dollars, a tenth of the size of options already traded

The SSE has a link with the

Montreal and Vancouver stock exchanges as well as the Euro-

the Sydney Futures

coupon of ‡ per cent over Singapore inter-bank offered rate (Sibor) and fees total 150 basis points. The issue was not traded actively in London vesterday yesterday.
Austria's D-mark floater was

Austria's D-mark floater was originally planned at DM 1bn but emerged at DM 500m. It will be increased to reflect co-managers' demand. The issue has a 12-year maturity and the interest rate will be fixed at 4 per cent above Libor with a maximum of 8 per cent. Fees total 73 basis points.

Although the coupon looks Although the coupon looks attractive for this sovereign name, which has not borrowed in the floater market before, the bonds may not find strong

result, lead manager CSFB Effectenbank took the unusual syndication route. The Swiss franc foreign bond

market was stable yesterday. The rush of new issues continued. Ireland is raising SFr 150m through a 10-year public deal. UBS set the coupon at 51 per cent and issue price at par, terms which other syndicate managers thought tight.

Humana, the US health care group, launched a SFr 120m 12-year issue, led by Morgan Guaranty (Switzerland). This has a 5½ per cent coupon and par issue price and is swap-related

Generale Occidentale, the French-based holding company of Sir James Goldsmith, chose Soditic to lead a SFr 100m 10-year issue. The yield was indicated at 5‡ per cent.

More renegotiations for ENEL

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

FLUSHED WITH the success of company, is raising \$200m resistance from US banks its recent \$300m Euronote through a five-year revolving against joining US corporate facility, ENEL, Italy's electricity credit led by Credit Suisse First deals when they think their utility, has turned its attention Boston.

Once more to renegotiating Unusually for a corporate poached away from them. once more to renegotiating older credits.

It is asking for new terms on the balance of a \$500m, eight-year loan signed in 1980 and carrying interest at a margin of per cent over US or Canadian

The charges, for which participating banks are being offered a } per cent renegotiation fee, involve a new margin of 45 basis points over the US domestic certificate of deposit rate or \$ per cent over the London Inter-bank offered rate (Liber) for

Affected is the balance of the redit or \$180m in US currency and C\$120m. Citicorp is agent for the US dollar tranche and Bank of Montreal for the Canadian portion.

Elsewhere Beneficial Corpora-

Boston.
Unusually for a corporate deal, this credit does not carry a Euronote option and is designed principally to back up the issue of commercial paper in the US. The borrower reckons that it is making a sub-stantial cost saving on the annual commitment fee for a

domestic borrowing.

The fee starts at 10.5 basis points, but if the credit is used for more than 180 days it will rise to 12.5 points. Drawings will bear interest at a margin of 15 basis points over Libor. though this margin will rise after 90 days cumulative usage to 20 points.

last year has been that commit-ment fees are substantially for commercial paper could lower on this side of the Atlan-also be used for certificates of tion, the US consumer finance tic, though this has led to fierce deposit.

Mindful of this, CFSB is not inviting any US banks to join the Beneficial deal. Participants are expected to be Euro-pean and Japanese banks looking for a spin-off in the form of management position; in any future Eurobond deals launched Eurocredit rather than a US

Among other new deals this week, Chuo Trust, the Japanese investment house, has launched a \$200m certificate of deposit programme with Citicorp as sole dealer. Certificates of deposit are similar in most respects to Eurocommercial paper, except that borrowers An attraction of the Euromarare are banks. Bankers say there kets for US borrowers since is a growing awareness that

German utility to raise DM 500m

Elektrizitätswerk (RWE), West terms of which have yet to be Germany's biggest electricity fixed, will take place shortly utility, is planning a warrant after the company's annual issue of bonds of up to DM 500m meeting on February 27. Share-in the next few weeks, to help finance its current five-year in-approve an increase of DM 200m per cent to DM 15bn. The total vestment programme, worth in the authorised capital from some DM 15bn, writes Rupert the current DM 2.25bn.

RHEINISCH - Westfällisches terday that the offering, the help finance its investment programme, which will partly be directed towards improving

of electricity supplied climbed Cornwell in Bonn. RWE is also planning to in- by 3.5 per cent to 125.9bn kilo-Mr Friedhlem Gieske, an crease its tariffs on July 1 to watt hours.

includes among its members all the big five Swiss banks—Union Bank Corporation, Credit Suisse, Swiss Volksbank and Bank Leu per cent to DM 15bn. The total -still holds some 70 per cent of the Swiss franc bond

Goldman Sachs man recruited by Merrill

MERRILL LYNCH Europe is to seek a greater role in syndicating international equity issues Richard Lutyens, a Goldman Sachs vice president, as a Sachs vice president, as a managing director in its investment banking group.

Mr Lutyens will be responsible for originating new issue business for syndication by Merrill, working with the investment bankers in the home countries of issuing companies. Although Merrill plays a sub-

stantial role in the developing international equity market, it has not so far led any Euroequity issues—where Eurobond syndication methods are used. Merrill, as well as distribut-ing shares in US companies worldwide, is among the US securities houses which are active in round-the-clock share

DOMESTIC BOND MARKETS

Fresh buying in Frankfurt

Domestic bond prices ended bigher in active bourse trading in Frankfurt, with foreign and domestic investors opening fresh positions after the US credit

Trading was extended for the fifth time in the New Year due to heavy turnover in shares. The longer end of the bond market gained most strongly, adding around 35 pfennigs, while short was tribed by a machinistic work by a machinistic was by a machinistic work. maturities rose by as much as 10 pfennigs. The relative stability of the dollar under-pinned the rises.

Zurich up slightly

In Zurich, government bond prices rose slightly where changed. The two 44 per cent Swiss Federal bonds listed on the primary market rose 0.25 points each and both closed at 102.5 per cent. Swiss Bank Corporation is

issuing a minimum SFr 200m 25-year domestic straight bond 25-year domestic straight bond with a 5 per cent coupon and par issue price. The bond can be called after 15 years at 1021. It is on sale until January 23 with payment due February 10.

EdF issue planned The State-run Electricite de France (EdF) is planning to launch a domestic bond issue expected to be up to FFr 5bn. EdF said it had requested Treasury authorisation for an issue towards the end of January but declined to comment on the but declined to comment on the

Paris wakes up to the threat from London

"WE DON'T want the denationalisations to take place in London," says one of France's top investment bankers. His remark sums up the challenge facing the French financial community as the Paris market prepares for a series of flotations of French state-owned companies later this year. WE DON'T want the denation-

Coupled with the deregulatory measures promulgated by Mr Pierre Reregovoy, the Finance Minister, the prospect of privatisation after the probable return to power of a Right wing government in the March elections is leading to an unpresented shake-up precented shake-up of the Frnech financial scene.

The Paris bourse is struggling to cope with the introduction of new computerised trading techniques, planned to start up gradually in July, as well as of a futures market in bonds, likely to start in mid-February after several months' delay.

operating together with the Both measures are necessa to speed up the adaptation of the Paris market to the con-tinuing boom in trading volume for bonds and equities. Addi-tionally, Paris banks and brokers are aware that the pros-pect of sales of state holdings, precise reduction in commis-sions but a spokesman said it would incorporate a direct cut in feet on issues with shorter maturities of eight to 10 years allied to the increasing competitive muscle of London securities houses, is increasing further the risk that placement and trading business could migrate from Paris to London.

As a sign of the upheaval in total in 1980.

Equity market volume last rear rose in Paris to FFr 142bn, year rose in Paris to FFF 1420h, 50 per cent up on 1984 and a rise of nearly 150 per cent from 1980. Equity market capitalisation in Paris at the end of last year was Fr 642.6bn, three times higher than at the end of 1982, while capitalisation of the bond market doubled

are starting to take on a dis-tinctly Angle-Saxon flavour.

Most notable has been the departure announced last week

Mr David Dantresme, leaving Credit du Nord for Lazard

chairman of Credit du Nord, to head a new financial services department at Lazard Freres. Several small but combative securities and money broking houses have recently been set up to profit from the huoyant market conditions. Apart from market conditions, Apart from stock (certificates d'investissmew opportunities in bond futures trading, operators have October, has made clear this pass have attracted by reals at the state of the s also been attracted by such areas as commercial paper. Starting in December, the Paris, bond market trading last ket in paper issued by large year rosa 75 per cent to FFr companies has already totalled 717.4bn compared with 1984 when turnover was already 85 per cent up on 1983. Last year's Ministry for the whole of 1986.

A cluster of foreign banks, total in 1980 per total in 1980 per total in 1980 per total in 1980. including leading operators such as Credit Suisse First Boston which are not yet directly present on the Paris scene, have been pondering possibilities for setting up

over that period to FFr 1,540bn. March elections. This would officials say Against this background, it open the way for more innova- exaggerated.

is hardly surprising that Paris tive fund management in areas has been experiencing a range like futures and options and of head-hunting exercises and would also strengthen the role of Paris as a financing centre are starting to take on a distinctly Anglo-Saxon flavour.

Most notable has been the

top French state-owned com-panies have during the last few weeks been actively preparing to bring in private capital after the elections. "The market is likely to be tore clutered in June than January." remarked the managing director of a top state controlled company yester-

day.

The Compagnie Financière de financial Suez industrial and financial holding company is expected to release details later this month of a financing exercise likely to pave the way for the issue of voting shares to the public. Thomson CSF and Alcatel, both majority owned by nationalised companies, have made no secret of their wish to dilute the State's stakes in their capital. State's stakes in their capital. Alcatel is likely to issue next month up to FFr 1bn in convertible bonds—although officials at the group say at present this will not lead to any dilution in the 68 per cent stake owned by the nationalised

ment) on the Paris market in October, has made clear this week through Mr Loik Le Floch Prigent, its chairman, that it faces "with equanimity" the prospect of privatisation.

The CI issue caused contro-

versy in Paris because of the role played in placing the shares abroad by Dillon Read's London investment banking arm, headed by Mr Pierre Moussa, the former Paribas chairman who was forced to resign by the Socialist government in 1981 in a row over nationalisation. Bankers say that heavy foreign demand for the Rhone Poulenc CIs in A further enticement is the recent weeks may mean that as prospect that remaining French much as 60 per cent of the exchange controls will progressissue is in foreign hands, sively be phased out after the although Rhone Poulenc March elections. This would officials say this estimate is

FT INTERNATIONAL BOND SERVICE

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This announcement appears as matter of record only

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Fixed Rate Loan

Loan and Swap Arranged by

Lloyds Merchant Bank Limited

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Agent Bank



INTL. COMPANIES & FINANCE

Wong Sulong on a confrontation between two former friends

Battle for Promet comes to a head

A SIMMERING battle between two prominent businessmen from Malaysia and Singapore stock a banker familiar with the Promet group.

Malaysia and Singapore stock malaysia and Singapore stock a banker familiar with the Promet group.

Strains emerged when Tan Sri the growth potential under the growth potential under the dwarming due Datuk Chang had business interacts. He became a filed a High Court suit seeking

entrepreneur, against Datuk
Brian Chang, Singapore engineer turned businessman.
The meeting next week is being improvement in the held at the request of share-holders including Morgan Gren-fell nominees, and is aimed at removing Tan Sri Ibrahim as

during their student days in London. Their split casts a big question mark over the future direction of Promet, the marine engineering and construction group which has more than 100 companies incorporated in 12 countries, including Malaysia, Singapore and Hong Kong.

In 1980, while in their late 30s, the two took over the loss-making Bovis South East Asia from P & O of the UK, renamed it Promet (short for Progressive Methods), and turned it into one of the most sought-after shares on the

was hot currency because of his

sian Prime Minister.

The Ibrahim-Chang partnership also came at a time of improvement in the political and business environment be-

removing Tan Sri Ibrahim as Promet's chairman. Datuk Chang has denied that he is behind the move, although Morgan Grenfell has acted for him in the past.

Expected to lose

It is widely expected by financial analysis in Kuala Lumpur that Tan Sri Ibrahim will lose the contest. Datuk Chang and his family own between 30 and 40 per cent of Promet, while Tan Sri Ibrahim's stake is believed to be about 10 per cent.

The two men were friends during their student days in London. Their solit casts a hig.

In the heady days when it. seemed almost nothing could go wrong, Tan Sri Ibrahim, as executive chairman, operated from Kuala Lumpur and looked after the construction side of the business, while Datuk the business, while Datuk Chang, as managing director, stayed in Singapore and con-cerned himself with oil rigs and

marine engineering works. Commitments were often made by one party and later confirmed over the telephone with the other. "It was a very relaxed relationship, and for a a director of Promet, are in while, it worked out well," said addition believed to be saddled

mer stock market favourite among local and foreign investors alike—is now in the open and is due to be resolved at an extraordinary general meeting next Wednesday.

Strains emerged when Tan Sri Ibrahim began to diversify his dynamic duo. Datuk Chang had by then built up what was one of the biggest and most profitable oil rig businesses in South East Asia and Tan Sri Ibrahim began to diversify his business interests. He became a major shareholder in Selangor Properties, which is developing able oil rig businesses in South East Asia and Tan Sri Ibrahim began to diversify his business interests. He became a major shareholder in Selangor Properties, which is developing able oil rig businesses in South East Asia and Tan Sri Ibrahim began to diversify his business interests. He became a major shareholder in Selangor properties, which is developing able oil rig businesses in South East Asia and Tan Sri Ibrahim began to diversify his business interests. He became a major shareholder in Selangor properties, which is developing able oil rig businesses in South East Asia and Tan Sri Ibrahim began to diversify his business interests. He became a major shareholder in Kuala Lumpur and is caught in the office properties, which is developing able oil rig businesses in South the properties and most profit. It pits Tan Sri Ibrahim Close personal links with Dr also became managing director Mohamed, flamboyant Malaysian Mahathir Mohamad, the Malay of Idris Hydraulic, the listed

> The fortunes of Promet also took a sharp downturn with the fall-off in orders for oilrigs and the decline in the construction industry, and this aggra-vated matters.

Several major investment decisions now appear to have been ill-timed. In 1983, Promet committed US\$160m to oil exploration in China, Indonesia and Malaysia and, despite opti-mistic remarks by directors, these investments are not expected to yield the rewards

Lukewarm interest

Promet was also given a government franchise to develop Langkawi Island in northern Malaysia into a major tourist resort. The project is expected to cost more than US\$1bn, but foreign and local investors have so far shown lukewarm interest in participating in various opportunities offered by the project.

Meanwhile borrowings had steadily risen to 270m ringgit.

which while not dangerously high, were a cause for concern. Tan Sri Ibrahim and his brother, Abdullah, who is also

seas Union Bank of Singapore filed a High Court suit seeking to recover US\$25m from Abdullah, who is reported to be in the US for medical treatment.

Problems between Tan Sri Ibrahim and Datuk Chang came to a head when the former signalled his intention to inject his 19 per cent stake in Selangor Properties into

He was believed to have obtained the 55m shares at around 3 ringgit per share, while the market price is below 1.4 ringgit.

Datuk Chang refused to agree because of the price. Tan Sri Ibrahim was reported to have countered with an offer to buy his partner's stake in Promet, which was also turned

Both men maintain that despite its present difficulties, Promet is in reasonably good shape, with a viable future. The oil rig business with areas of marine engineering has been trimmed, with the loss of 2,500 jobs over the past two years. Promet has construction activity worth several hundred million ringgit in hand.

Tan Sri Ibrahim believes that Malaysia, is perceived by the Malaysian Government as a foreign company, and loses out on major contracts because of this. He wants it to increase the level of locally held equity.

Whether he has his way, or finds himself out of the company, will be decided at the meeting on the 33rd floor of Promet Towers in Kuala Lumpur next Wednesday.

"Two tigers cannot stay on banker described the split.

\$36,500,000 **New Jersey National Corporation** 81/4% Convertible Subordinated Debentures Due 2010 We acted as agent in the placement of these debentures. Bear, Stearns & Co. Inc. New York/Atlanta/Boston/Chicago/Dallas/Los Angeles/San Francisco Amsterdam/Geneva/Hong Kong/London/Paris

This announcement appears as a matter of record only.

Hydro-Québec

CAN. \$250,000,000

Floating Rate

Debentures

Serie GD

Due 1991

arranged by

NATIONAL BANK OF CANADA

Malaysia—Singapore exchange ties attacked

BY WONG SULONG IN KUALA LUMPUR

LEADING Malaysian links were beneficial to either merchant banker, who is advis- exchanges. ing the Government on reforms in the securities industry, has called for a re-examination of the close links between the Malaysian and Singapore stock exchanges, with a view to sever-ing some of these ties.

Datuk Malek Marican, manag-ing director of Arab Malaysian Merchant Bank, said the "Siamese twin" relationship between the two stock markets was historical, and the current problems relating to forwardshare purchase contracts—blown up by the crisis in Pan-Electric Singapore need to ask whether such close blocks

BY YOKO SHIBATA IN TOKYO

Japanese store operator

starts investment advice

THE NIPPON CREDIT BANK (CURAÇAO) FINANCE N.V. USSS0,000,000 Guaranteed Floating Rate Notes due 1986

Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by THE NIPPON CREDIT BANK LTD.

(Kabushiki Kaisha Nippon Saiken Shinyo Ginko)

In accordance with the provisions of the Reference Agency Agreement between the Nippon Credit Bank (Curação) Finance N.V. and Citibank, N.A., dated July 1, 1979, notice is hereby given that the Rate of Interest has been fixed at 8/5% pa and that the interest

payable on the relevant linterest Payment Date, July 16, 1986 against Coupon No. 14 will be USS 42.74.

He noted that while the

Malaysian authorities no longer allow new Singapore companies to be listed on the Kuala Lumpur Stock Exchange (KLSE), new Malaysian companies are still allowed ex listing on the Stock Exchange of Singapore (SES). As a result, 183 of the 315 companies on the SES are Malaysian-based. These companies accounted for 52 per cent of the volume of all shares traded on the SES in 1984, the latest year for which figures are available.

"Malaysia clearly needs to with

brokers and fund managers who Malaysian companies from listup to now tend to trade in ing in Singapore and Hong Malaysian shares through Kong, in order to curb such Singapore brokers," Datuk manipulation.

A substantial portion of SES transactions in shares of Malaysian companies related to speculative second and third liners, rather than the blue

international consider preventing smaller by all these bodies.

manipulation.

He also called for the creation

of a securities market commission, with a full-time commis-sioner and strong secretariat, to regulate and develop the Malaysian securities industry.

liners, rather than the blue chips, he noted.

"In fact, a portion of the more dublous transactions that occur in Singapore relate to the more speculative Malaysian shares, it is common knowledge proposed takeover panel. Quite that syndicates which try to rig that syndicates which try to rig share prices operate on both sides of the Causeway."

proposed takeover panel. Quite often, these authorities duplicate work, and companies and their merchant bank marine salvage and property improve the capacity of its Datuk Malek said the advisers encounter long delays group—have highlighted the sharebrokers to trade in bigger Malaysian authorities should in getting proposals approved

Gencor mines earnings

ryirket chain operator, is next month to launch an investment advisory business in co-operation with Morgan Grenfell, the UK merchant bank.

Dal'ei Investment Advisory company, the new subsidiary, is believed to be the first investment advisory companies believed to be the first investment advisory companies of the first investment counselling business to be launched by a non-financial

be launched by a non-financial institution in Japan. It will be Tokyo-based and, although capitalised at just Y100m (\$93,000) will be headed by Mr would supply it with fund Isao Nakauchi, president of management advice.

lifted by gold price rise BY KENNETH MARSTON, MINING EDITOR THE AVERAGE gold price re-ceived by the 12 South African in the December quarter and

ceived by the 12 South African in the December quarter and also qualified for a tax credit. Stilfontein received a lower-ton R26,829 per kilogram from R22,278 in the previous three months. Among the resultant profit increases, Buffelsfontein showed up well with a rise of nearly 50 per cent to a net R47.8m (£14.1m or \$20.3m).

Gold production at Ruffels of the receipt of a secured with a higher net profit thanks to the receipt of a secure was inflated by an adjustment arising from the replacement of the state aid formula by the mining formula. Gold production at Buffels was lower in the latest quarter,

fit thanks to the receipt of a half-yearly dividend from the sharply from the low level of the previous three months and a first share of income (E5m) the change in the tax formula also resulted in higher tax for Leslie, which

was received from the young
Beatrix mine. The latter lifted
profits by 44 per cent further
to R9.68m.
The marginal West Rand Con-Bracken also earned less in the latest quarter. Gold produc-tion fell in line with a lower

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January 16 1986, Landon Byr. Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO iberpistas

U.S.\$18,000,000 Serial Floating Rate Mortgage Notes Due 1986 For the six month period 15th January, 1986 to 15th July, 1986 the Notes will bear an interest rate of 91/6% and a coupon, amount of U.S.\$229.39 payable on 15th July, 1986.

Bankers Trust
Company London

AIBD BOND INDICES WEEKLY EUROBOND GUIDE JANUARY 10, 1986

	Yield	on Week	High	Low
445 0 - 11	10.175	1.466	12.260	10.017
US Deilar Canadran Dellar	11.365	2.628	13,190	11.074
Euroguilder	6.084	-0.377	7,790	6.084 9.190
Euro Currency Unit	9.483	0.413	10.330 11.713	10.770
Sterling	11.714 6.877	3,582 1,022	7.830	6.850
Deutschemark	C- 144 700		~ 812744 IV	Z CH

Toudson's Bay Company

U.S. \$50,000,000 FLOATING **RATE NOTES DUE JULY 1989**

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six month period (181 days) from 16th January, 1986 to 16th July, 1986 has been fixed at 81/2% per annum.

Interest payment date will be 16th July, 1986. Payment which will amount to US\$4,273.61 per US\$100,000 Note, and US\$42,736.11 per US\$1,000,000 Note will be made against surrender of the relevant Coupon.

> CANADIAN IMPERIAL BANK OF COMMERCE

Weekly net asset value

September 1985

Tokyo Pacific Holdings (Seaboard) N.V. on 13th January 1986 U.S. \$106.45

Listed on the Amsterdam Stock Exchange

Information: Plerson, Heldring & Pierson N.V., Herengracht 214, 1016 B\$ Amste



CRÉDIT D'ÉOUIPEMENT DES PETITES ET MOYENNES ENTREPRISES up to US\$200,000,000 Guaranteed Floating Rate Notes Due 1996

For the six months
15th January 1986 to 15th July 1986
the Notes will carry an interest rate of
774% per annum and Coupon amount of
US\$395.94 per US\$10,000 Note, payable
15th July, 1986

Bankers Trust Company Londo

Agent Bank

This announcement appears as a matter of record only.



800,000 Shares

United Virginia Bankshares Incorporated

Common Stock

The undersigned acted as agents in the direct placement of the shares with institutional investors in Europe.

Shearson Lehman Brothers Inc.

Morgan Stanley & Co.

December 23, 1985

to a record pre-tax £129.6m, a 19 per cent increase on its pre-vious £108.9m, Trusthouse Forte has bettered market expectations for the year to end-October 1985.

At the interim stage, with profits of £39.2m (£35.4m) the directors looked forward to a full year of continuing progress, and they now say that the group's current trading is comfortably ahead of last year, with the trend continuing to be seen in forward bookings. bookings. Mr Rocco Forte, chief execu-

Mr Rocco Forte, chief executive, said yesterday that "the outlook for the current year is excellent and performance in the first two months is well ahead of last year."

The final dividend is stepped up to 4.18p (3.62p), making an increased total payment of 5.45p against 4.74p. This is covered twice by stated net earnings of 11.11p (9.84p) per share.

At the interim stage the results

At the interim stage the results of Savoy were included for the first time. THF holds a majority of the Savoy's ordinary shares but has been unable to gain control of the crucial B voting shares. Savoy's results are again included under share of profits of subsidiary not consolidated, and amount to £6.5m (£4.3m).

Mr Rocco Forte said that THF is still trying to discover the is still trying to discover the beneficial shareholders behind the Childs Nominees holding which acounts for about 5.8 per

An interim dividend of 1.1p net—the first dividend paid since last year's USM flotation — has been declared. Earnings per

share for the period rose from 2.98p to 3.3p.

On a divisional basis, the

Distribution and overseas

directors say good progress has Power Plant Gears, acquired last been achieved in UK distribution year. However, they say order

and turnover advanced from books are buoyant and several £5.64m to £6.59m. Group turnover overall climbed from pleted during the second half.
£11.82m to £15.53m. UK manuIn the international division,

TURNOVER UP BY 46%. PRE-TAX PROFIT UP BY 50% FINAL DIVIDEND DOUBLED TO 4p PER SHARE The Sturge Group is one of the largest independent under-

writing agencies at Lloyd's, acting as Members' Agent for 1,790

Members of Lloyd's and managing sixteen syndicates in the marine, non-marine, aviation and motor markets.

SUMMARY OF RESULTS for the year to 30th September, 1985

NET DIVIDENDS PER ORDINARY SHARE

TURNOVER

PROFIT BEFORE TAXATION

EARNINGS PER SHARE

divisions boost Wyko



Mr Rocco Forte, chief executive of Trusthouse Forte: current outlook excellent.

cent of Savoy voting shares.

occupancy rates in UK hotels had risen by three percentage points, which was well ahead of the national apparent. the national average.

increased from £309,000 to £368,000.

The directors say the lower profits from manufacturing re-flect the costs of integrating

year. However, they say order books are buoyant and several

1984

£'000

5,716

4,902

10.52p

2.00p

£'000

8,354

14.93p

He added that the group was Total group turnover moved acclerating its development pro-ahead from £1.13bn to £1.24bn and generated a gross trading profit of £134.3m (£152.1m), from which depreciation mitted £25m to the funding propension fund has already committed £25m to the funding programme, and THF is looking for £100m outside finance altogether.

In the US the group's hotels performance was stable at £13.8m (£13.3m), which, given the general industry trend there, was encouraging. Although occupancy rates and room rates had increased, so had costs, Mr Forte

Magnet & **Southerns** ning to expand its Post House operation in Germany and Italy.
The catering division had a strong year across the board, and trading profits rose by 55m to £28.1m. The group opened 28 new Little Chef units during the year, and plans a further 40 in the current year, Mr Forte said. margins squeezed

ALTHOUGH producing record turnover for the half year ended September 30 1985, the Magnet & Southerns group has been unable to carry this through to profits.

Slackness of demand in the milding industry and in the Its first Little Chef Lodge, a small budged-priced hotel, has also been opened. The company expects to open a further 11 this year and have 100 in operation by 1990. stackness of demand in the building industry and severe competition are reflected in lower margins, and the pre-tax profit has fallen from £16.92m to £12.11m. This is the bottom end of the range expected by the THF's other interests, which include oil, added £5.1m (£4.2m) to trading profits. Central costs look a little changed £4.1m

The ore-tax result was struck after niterest charges of £27.2m (£19.5m), the Savoy profits, and the surplus on property disposals and trade investments of £8m £50.2m) City.

Mr J. T. Duxbury, chairman, however, is optimistic. He says sales to the end of December are running shead of last year. Gross margins will continue to be under pressure, but by virtue of higher throughput at the sawmills, factories and branches, better net margins are anticipated. The interim dividend is held at 2n net per share.

(£9.2m).
The net value of sareholders investment at end-October 1985 amounted to £916m (£829m) or 17p (106p) per share. Net group borrowings at that date totalled

borrowings at that date totalled £265m (£270m).

Tax for the year took a higher £41m (£29.5m), leaving net profits of £38.6m (£79.4m). Minorities accounted for £1.9m (£2.6m) and there was an extraordinary and there was an extraordinary debit of £3.7m (£6.6m). Last time there was a deferred tax hotels side improved from provision of £3.3m.
£10.7m to £17.6m. THF is plan-

Really Useful share price struck at 330p

acquired substitury.

It manufactures prepared folinery, doors and ancillary products for the building retail trade. The innovation of Super Showrooms has enabled it to expand fitted kitchens and bedroom units.

Magnet & Southerns' policy of expanding sales to the DIY sector

£11.82m to £15.53m. UK manu- In the international division, which we expect there to be a Letters of acceptance will be facturing made a higher contri- there were exchange problems, healthy aftermarket," Mr Nigel posted on Monday.



mankest the support that they 5,000 s indicated earlier. However, the price has been set at a level at shares.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering Lessing, Southwal, Val Reefs Explodividends. Official indications are not available as to whether the dividends are interims of finals and the subdivisions abown below are based meinly on last year's timetable.

mainly on last year's timetable.

TODAY

TODAY

Interims Abboy, Atlando Assets

Trust Bogod-Polypah, Convermoor, F. Kenyon Securities Jan 24

Copson, Davy Corporation, Dewty, Wibroglent Jan 23

Jan 24

McKay Securities Jan 23

Jan 24

Vibroglent Jan 27

Jan 27

Jan 27

Jan 23

Watsham's Jan 23

Jan 23

Jan 24

Jan 24

Jan 25

Jan 25

Jan 25

Jan 26

Jan 26

Jan 26

Jan 27

Jan 28

Jan 24

at the expense of its traditional builder's merchant activity is succeeding in increasing turn-over, but the switch to lower volume business has taken its toll at the pre-tax line which reveals that the group is not running fast enough even to stand still. It is not just the however. Magnet is a factory led operation, and faced with poor demand in the building industry generally it has had to chase volume through price cutting. Meanwhile timber is at the bottom of its cycle and the gram's timber operations. group's timber operations suffered a sharp downturn. With

more store conversions coming on stream and the prospect of higher throughput lifting margins, about £26m is probable for the year, putting the shares, TODAY

| Hampson Industries | Jan 21 | Jan 22 | Jan 22 | Jan 22 | Jan 23 | Jan 23 | Jan 23 | Jan 24 | Jan 24 | Jan 24 | Jan 24 | Jan 25 | Jan 27 | Jan 26 | Jan 27 | Jan 27 | Jan 27 | Jan 28 | Jan 29 |

cluded unusually favourable selling conditions.

From this the operating profit came to £12.79m (£18.79m) but this time had to stand interest charges of £674,000, compared with £129,000 received. Tax takes £4.95m (£6.05m) for a net profit of £7.17m (£10.87m), or 4p.

(6.1p) per share. There is an extraordinary net charge of £272,000 being costs relating to

the reorganisation of a newly acquired subsidiary.

comment

The Albert Fisher Group PLC

has acquired

The Ziff Company, Inc.

The undersigned acted as financial adviser to The Albert Fisher Group PLC



Hill Samuel & Co. Limited 100 Wood Street, London EC2P 2AJ.

January 1986

LISTING PARTICULARS IN JUNE FORECAST A TURNOVER OF £8 MILLION, PRE-TAX PROFIT OF £7 MILLION.

EARNINGS PER SHARE OF 14.4p AND A FINAL DIVIDEND

Copies of the Report and Accounts will be available from the Secretary after 4th February 1986 STURGE HOLDINGS PLC 9 Devonshire Square, London EC2M 4YL

Invitation to the shareholders in

DE FORENEDE BRYGGERIER AS (CARLSBERG - TUBORG)

to subscription of

D.KR. 89,775,000 ordinary shares, (A-shares) D.KR. 44,887,500 preference shares, (B-shares) D.KR. 28,061,800 C-shares

The new shares may be subscribed during the period 17th - 30th January 1986. Subscription rights can be traded during the period 14th - 27th January 1986. Each share amount of D.KR. 400 confers right to subscription of D.KR. 100 new shares in the respective classes of shares at a price of 105 per cent free of all charges. The basis of subscription is for ordinary shares (A-shares) coupon No. 58 and/or No. 20 and for preference shares (B-shares) and C-shares coupon No. 20. The subscription will take place at DEN DANSKE BANK, 12 Holmens Kanal, DK-1092 Copenhagen K, PRIVATBANKEN, P.O. Box 1000, DK-2400 Copenhagen NV and COPENHAGEN HANDELSBANK, 2 Holmens Kanal, DK-1091 Copenhagen K.

> Copenhagen, 6th January 1986 DE FORENEDE BRYGGERIER AS

Dixons pleases City with profits surge to £30m

A CONTINUATION of its rapid expansion, and the inclusion of Currys for a full period, has given the Direas group of electrical retailers a pre-tax profit of 530.1m in the 28 weeks ended November 9 1985.

This is at the top end of City expectations and compares with £12.5m in 1984. The shares rose 23p to 918p.

And chairman Mr Stanley Kalms says "shareholders can clearly anticipate further substantial profit growth for the full year." Christmas trading has been excellent.

The group is well on the way towards the £39.6m profits made for the whole of 1984-85, which included five months of Currys.

The interim dividend is being steeped up 20 per cent, from 1,92p to 2,31p net per share. Shareholders will also participate in a three-for-one scrip, which is being made to give a

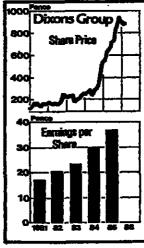
pated. The interim dividend is held at 2p net per share.

The chairman says turnover for the period reached nearly \$102m, showing a rise of 4 per cent over last year which included unusually favourable sell-ing conditions.

Shareholders will also participate in a three-for-one scrip, which is being made to give a better reflection of the current size of the group.

The group retails a wide range of electrical goods, extending from televisions, video recorders, washing machines and small appliances to home computers and photographic products, through 845 stores in the UK. Other activities include film processing and property development.

In the interim period the The out-of-town chain Power retail division lifted its sales City (formerly Bridgers Dis-



from £168.2m to £409.4m, before from £168.2m to £409.4m, before inter-company transactions, and its pre-tax profit from £8.6m to £23.8m. Mr Kalms says both Dixons and Currys recorded substantial sales and profit increases. The initial results of the redesigned Currys stores are most encouraging and the major shop refurbishment and resite programme is well under way. programme is well under way.

count) was relaunched in Octo-ber. The first new format store opened in Hayes last month and sales performance has already confirmed his confidence in this new retail concept.

new retail concept.

The processing side raised its sales to £23.4m (£20.1m) and profits to £1.4m (£1m) despite the inclement summer. The group has recently sold Barclay & Sons, so completing its withdrawal from pharmaceutical distribution.

The property division was successful and acquired several important new development sites. Its turnover expanded to £15.3m (£9m) and profit to £3m

(£1.8m).

Overseas property and investment companies made sound progress, says the chairman, with profits ahead from £1.3m to £1.9m although turnover fell to £14.7m (£17.1m). A financial services division is being formed to develop further the investment in consumer finance. extended guarantee service and other financial areas. other financial areas.

After inter-company deductions total sales expanded from \$212.1m to £451.3m, exclusive of

VAT.
The tax charge comes to £10.3m (£3.1m) to leave the net profit at £19.8m (£9.4m), or 21.5p

UK operations boost Prudential

MARGINAL GROWTH in new life and pensions business worldwide in real terms, but a decline in steriling terms is reported by the Prudential Cerporation for its operations last year.

New annual premiums for assurances annual premiums for assurances annual premiums for assurances fell in the ordinary branch, but form £21.1m to £29.8m.

sterling terms by 5 per cent from the industrial branch reported a 5316.2m to £301.8m, while single premium business dropped 11 £78.5m, of which £22.3m came per cent from £337.8m to £300.3m. However allowing for exchange rate fluctations the Prudential's single premium

Pru's overseas business fell dramatically, with new annula premiums down from £63m to £31.5m and single premiums from £172.2m to £131.5m.

exchange rate fluctations the underlying growth rates were 2 per cent for annual premiums business and 3 per cent for single premiums.

On its UK operations, where the Pru is Britain's largest life company, new annual premiums on individual business rose by 7 per cent from £172.7m to £185.3m, while single premiums rose marginally from £104.9m to £185.8m and single premiums more than double from £23.5m to CH INDUSTRIALS has again increased its stake in Banro Industries. rekindling speculation that it will make another bid for its fellow car components company, new annual premiums of the unitalised subsidiary, Vanbrugh, saw new annual premiums up by more than half from £2.4m to £185.3m, while single premiums more than double from £23.5m to contracted over thought the following the decision to content that trust the following the decision to content that trust the fillowing speculation that it will make another bid for its fellow car components company when it is free to do so make the fillowing speculation that it will make another bid for its fellow car components that the fillowing speculation that

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Goring Kerr near 20% growth

of sterling against the dollar in the first quarter of the current maintained and profits are "holding up well."

In the longer term, the group's

Sturge advances to over £7m.

Sturge Holdings, one of the largest independent groups of underwriting agencies at Lloyd's, achieved higher taxable profits of £7.36m, against £4.9m, for the year to 2-1.September 1985. This is in line with last June's prospectus forecast.

Turnover was £8.35m (£5.72m)

ON AN adjusted basis, in respect of currency translations, pre-tax profits of Goring Kerr have risen by 19.7 per ceut, from £2.24m to £2.68m, in the year ended september 30 1985.

The company, which makes metal detection systems and is a subsidiary of Tace, is paying a final dividend of 7p to lift the net total from £2.5p to 10.5p.

Mr Jock Mackenzie, chairman, says in spite of the higher level of sterling against the dollar in

DIVIDENDS ANNOUNCED

		Date	Corre	TOTAL	1.0031
	Current		sponding		last
	payment	payment	div.	year	year
Bett Brothers	. 1.9	_	1.9	3,1	3.1
CAP Groupint	. 0.5	Feb 27	_		_
County Properties	. 2.25	April 7	1.4	3.5	13.4
Dixonsint	2.31	Mar 3	1.92	_	6
Soring Kerr	. 7	April 1	5.5	10.5	8.25
Howden Groupint	. 0.9	April 30		~~	3.36
Sunter Printt	. 3.2	April 5	2.68	4.7	4
Magnet & Southerns int		Mar 27	2		4.7
Multitoneint			1.1		2.78
Raeburn Inv. Trust		_	6.25	10.5	9.5
Lyan Hotels		_	0.65	1.5	0.65
L. Samuelint		_	1	=	4.17
standard Secs		Feb 27	2.5	4.05	3.65
turge Holdings		- 02 -:	2	6	2
rusthouse Forte		April 7	3.62	5.45	4.74
Wyko Group;int		April 9			7.14
		-			
Dividends shown in pen	ce ber sn:	are excen	t where a	thorwi	en etate

and earnings per share were 14.93p (10.52p), after tax of 23.94m (£2.31m).

The final dividend is 4p making the final dividend is 4p making by rights and/or acquisition issues. †USM stock. §Unquoted stock. [For 18 months. [Irish pence throughout.]

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UK COMPANY NEWS

Lotus suspension Plantation fuels bid speculation

BY JOHN GRIFFITHS

SHARES IN Group Lotus, the sports car and engineering con-cern, were suspended at 121p yesterday at the company's

No explanation was given other than that the suspension was "pending an announcement."

However, speculation inevitably centred on a bid, particularly in view of recent references by Mr David Wickens, chairman of Lotus's leading shareholder, British Car Auctions, to a possible takeover by the J. C. Bamford construction equipment group.

The suspension comes at a time when Lotus' fortunes have been improving sharply since the death of its founder, Mr Colin Chapman, in 1982—when its shares plunged to a record low of

14p. It recently announced first-half 1985 profits up from £219,000 to £325,000 at the pre-tax level, and has moved firmly into the black after its record loss of over £2m

ably centred on a bid, particularly in view of recent references by Mr David Wickens, chairman of Lotus's leading shareholder, British Car Auctions, to a possible takeover by the J. C. Bamford construction equipment group.

Bamford already holds a 16 per cent stake in Group Lotus, BCA has 29 per cent while the other principal shareholder, Toyota, has 21 per cent.

after its record loss of over £2m in 1982.

With an all-new sports car due for launch at this year's Motor Show, destined for production of 3,000 units a year—triple current output — and its consultancy engineering business growing rapidly, the company recently has 21 per cent while the other principal shareholder, Toyota, has 21 per cent.

Bailey discusses selling Bristol Shiprepairers

cent stake.
It appears that Mr Bailey is It appears that Mr Bailey is keen to do a deal with Mr David Mitchell who, through the Liechtenstein-based Tifa AG, holds about 28 per cent of C. H. Bailey, the parent company of Bristol Channel Shiprepairers. Yesterday Tifa AG revealed a 10.3 per cent stake in the Bristol Channel company to add to its 28 per cent stake in the parent company. Mr Mitchell, who in conjunction with 24-year-old Guy Cramer has recently taken over the publicly-quoted James

One analyst suggested, the second half components, that: "Bailey appears first half's £32,155. Components to be rattled by the Tifa AG have been restated.

.

Mir Christopher Bailey, the flamboyant marine engineer, is in talks over the possible sale of Bristol Channel Shiprepairers, in which he holds a near 60 per thrown in to get Mitchell off his back."

back."

Mr Mitchell may have ambitions on C. H. Bailey itself, but at present that remains controlled by Mr Bailey through a two-tiered capital structure giving the "B" class ordinary shares, held by the Bailey family, 100 times the voting power of the ordinary shares.

APPLIED HOLOGRAPHICS incurred pre-tax losses of f477,434 (£291,433) for the six months to September 30 1985, after research and development the publicly-quoted James
Ferguson Holdings, said yesterday that he had held a meeting
with Mr Bailey, but declined to
comment further.

are research and development
expenditure of £525,013
of this USM stock were 5.7p
(4.4p). The company expects a
marked improvement in sales for the second half compared to the first half's £32,155. Comparatives

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

Indl. Mfg. Eng. Retail Retail Unemployment (excluding school leavers) and unfilled vacancies (000s).

	prod.	output	order	Aor	value*	ployed	Vacs.	ŀ
1984								ı
4th qtr. 1985	103.5	101.3	105	112.7	164.0	3,103	153.9	
1st qtr.	106.0	102.7	104	113.3	133.9	3,138	153.6	١
2nd qtr.	108.2	103.5	109	115.0	141.4	3,174	16L7	ł
Srd gtr.	107.8	102.8	93	116.4	145.2	3,179	164.4	ŀ
4th qtr.				116.6		3,174	188.2	1
May	108.2	102.7	310	115.3	142.8	3,177	160.7	ı
June	108.3	104.5	117	116.0	141.8	3,169	163.4	ł
July	107.6	102.3	88	116.0	146.9	3,175	163.0	١.
August	107.3	103.0	96	117.5	145.4	3,183	162.9	ı
September	109.1	103.2	96	115_9	143.7	3,179	167.3	ŀ
October	108.8	104.0		114.1	149.7	3,173	172.6	١
November				117.6	164.7	3,167	179.1	ł
December				117,9		3,181	162.1	

OUTPUT-By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

Consumer Invst. Intmd. Eng. Metal Textile House goods goods output mnig. etc. starts

102.5 98.6 99.0 99.2 101.0 98.0 101.0 1st qtr. 104.4 102.6 104.0 106.0 102.0 103.0 104.0 116.3 117.5 116.0 117.0 117.0 113.2 112.8 113.9 112.3 111.8 111.9 2nd qtr. 3rd qtr. 102.4 103.2 101.5 103.5 101.7 17.1 19.9 17.9 18.4 15.5 17.4 20.1 16.8 103.0 104.5 101.3 101.2 May June May 101.3-June 103.5 July 102.1 August 103.6 September 103.9 October 104.3 100.0 102.0 102.0 100.0

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

Export Import Visible Current Oil Terms Reservolume volume balance balance trade US\$but trade US\$bn' 96.6 15.52

129.1 -1,313 +424 +1,468 4th qtr. 1985 128.5 -1,283 -498 +1,862 126.0 -222 +1,435 +2,368 123.1 -150 +1,162 +2,042 96.5 98.2 100.6 13.53 14.32 120.6 115.0 14.32 14.18 15.54 13.98 14.32 14.26 14.26 14.18 16.31 15.98 3rd otr. 4th otr. May June +721 +336 +491 +333 +338 +400 +259 98.3 99.1 99.4 101.3 121.7 118.4 117.0 121,0 126,9 123.0 +252 -232 -216 - 77 -236 -239 +843 +663 +626 +644 +760 +675 July August 113.4 September 114.6 October 119.1 123.3 124.7 125.7 December

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end periot).

Bank BS HP Base M0 M1 M3 advances inflow lending rate rate % £m £m 1984 2,946 9.63 13.4 16.9 2.492 24.3 4th qtr. 1985 15.2 19.2 17.5 1,511 1,523 1,771 2,299 615 401 650 524 597 796 638 865 3,146 3,064 3,380 13.50 12.50 32.4 15.4 20.4 11.6 5.1 5.5 12.50 11.50 12.63 12.50 11.50 11.50 11.50 2nd atr. 3rd qtr. 4th qtr. 17.7 20.2 16.8 21.8 14.1 18.7 17.6 1,042 961 1,129 1,126 1,125 1,147 33.2 44.6 19.1 22.9 5.2 18.4 25.1 8.3 14.4 12.3 19.8 May June July August Sentember 24.9 21.5 October November

December INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of

sterling (1975=100).

EarnBasic Whsale.

ings* matis.* mnfg.* RPI* Foods* comdty. Strig. 134.3 140.1 4th qtr. 1985 295,22 278.13 251.12 165.4 170.3 136.6 139.4 140.2 141.3 139.6 139.9 140.1 140.5 140.8 141.4 1st atr. 138.5 133.1 132.6 78.9 82.2 4th Qtr. May 375.6 376.4 375.7 376.7 376.5 377.1 339.3 340.1 335.3 335.3 335.8 335.5 279.98 278.13 259.51 254.34 251.12 249.46 78.7 79.9 83.6 81.6 81.4 80.4 80.0 138.8 136.7 133.9 132.8 1**69.4** 171.9 June July 173.7 173.4 August 173.4 September 176.1 132.7 131.3 131.8 134.7 n/a n/a November * Not seasonally adjusted.

companies' shares suspended

Shares in two plantation com-panies — Anglo Indonesian Corporation and Plantation and General Investments — were suspended yesterday as the groups announced they were holding talks on a merger.

Anglo Indonesia was suspended at 166p, up 1p, giving it a market capitalisation of \$28m Plantation and Concret.

f9.8m. Plantation and General was suspended at 257p, up 5p, giving it a market value of £10.2m.

giving it a market value of £10.2m.

Anglo Indonesian is a tea and rubber planter and a manufacturer of agricultural hand tools, wheelbarrows, die casting machinery, pressings and outboard motors. It quadrupled pretax profits in 1984 to a record £4.5m on turnover of £33.13m, but a sharp fall in tea prices led to a fail from £1.95m to £1.44m in the first six months of 1985.

Plantation and General, which obtained a full quote in 1984, grows tea and coffee and makes non-ferrous metal wire, rod and metal spraying equipment. It had pre-tax profits of £2.2m in 1984, but saw a slight fall from £1.5m to £1.08m in the first six months of 1985.

Anglo also announced yester-Anglo also announced yester-day the fi.4m sale to local interests of its Mau Forest tea estate in Kenya.

Ensign Trust in champagne move

Ensign Trust, the quoted invest-ment trust controlled by the Merchant Navy Officers' Pension Fund, has paid £2.75m for a

Fund, has paid £2.75m for a 10 per cent stake in Charles Heidsieck. France's seventh laregst champagne house, which has stocks of 12m bottles.

This is the first significant overseas investment by Ensign in an unquoted business since the pension fund took control.

Benny Martin, which also owns the pension fund took control.

Remy Martin, which also owns
the prestigious Krug SA champagne house, holds 78 per cent
of Heidsieck. Credit Lyonnais
has a further 9 per cent.

Mr Philip Henderson, Ensign's
investment manager, described
the investment as a stake in an
industry with excellent prospects.

"The opportunity for Ensign

The opportunity for Ensign to become a partner of Remy Martin in this business is obviously extremely interesting for the long term."

IN BRIEF

BRITISH TELECOM has pur chased GTE Directories, its southern sales contractor for Yellow Pages. The agreed take-over was effective from January The company proposes to change its name to Yellow Pages Sales Limited, and will trade a wholly-owned subsidiary Reitish Telecommunications. The consideration involved in the purchase represents less than 1 per cent of the essets of British Telecom.

BREMNER, the Glasgow based department store, announced that its hostile f9m takeover bid for George Dew, the engineering group, had lapsed. It said that by the final closing date it had received acceptances covering only 0.0021 per cent of Dew's capital. Bremner owned 7.8 per cent of Dew before launching its bid and reduced this to 6.56 per cent during the battle.

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LADBROKE INDEX 1,106-1,110 (+10) Based on FT Index Tel: 01-427 4411

Guinness man named in bid for Macarthys

BY DAVID GOODHART

Jadelle, the new company run my own show and I felt formed by the investment trust there was a tremendous opporton Govett to bid for Macarthys tunity to provide some new Pharmaceuticals. yesterday direction at Macarthys." Pharmaceuticals. revealed the identity of its mystery executive who will take mystery executive who will take over the pharmaceuticals company if the £34.9m bid succeeds. He is 44.year-old Mr Nicholas Ward who was until two weeks ago the managing director of the Martin Retail Group. We principal retail division of Guinness. Mr Ward, who will remain a non-executive director at Guinness, originally suggested the takeover bid idea to John Govett and was then introduced to the investment frust's senior pany if the £34.9m bid succeeds. He is 44.year-old Mr Nicholas Ward who was until two weeks and had wide experience ago the managing director of the Martin Retail Group, the principal retail division of Guinness, in the retailing and wholesaling Mr Ward, who will remain a non-executive director at Guinness, originally suggested the takeover bid idea to John Govett and was then introduced to the investment trust's senior management through a friend. He said yesterday: "I had been looking for an opportunity to within the next ten days.

The potential chairman and chief executive said that he knew Macarthy's both as a supplier and competitor through

Morgan Crucible in fresh attack on First Castle

MORGAN CRUCIBLE yesterday challenged the investment spending and taxation policies of First Castle Electronics for which it made a hostile f41m bid just over a month ago.

Also yesterday, the Takeovar Panel issued a statement on the row over an £18m profits forecast by Crucible in its December 17 offer document. The panel accepted that private papers were inadvertently made available for inspection and that the figures in these were not in conflict with the subsequent forecast. Regret was expressed that the private figures had appeared the private figures had appeared in the press.

The Crucible statement on the

impact of tax planning moves by First Castle was in response to the formal defence document. The bidder questioned whether a deferred tax provision ought to be made on a £2m industrial property investment by the defence electronics company. Various other detailed questions on First Castle's accounts were also posed.

asso posed.

In reply to the defence document, Crucible also said it
"understands that First Castle

Valid applications for 12.4m shares were received from shareholders compared to the shareholders compared to the 8.7m being offered. Applications for 7.8m shares were received from shareholders claiming their basic rights entitlement, representing a take-up of 83.3 per cent, and will be allocated in full.

The remaining 1.4m will be allocated to shareholders who made excess applications on the basis of 28.2 per cent of the number of shares applied for.

Growth continues HALF YEAR PROFITS UP 41%

The Systems Company

Interim Results

	6 months ended 31st October, 1985	31 st October, 1984	
Turnover	25,383	16,058	+58%
Profit before taxation	1,238	873	+41%
Taxation	(495)	(367)	
Extraordinary item	377	_	
Profit after taxation and Extraordinary iter Earnings per share	n <u>1,120</u> 3.7p	<u>506</u> 2.9p	+27%

An interim dividend of 0.5 pence per ordinary share will be paid on 27th February, 1986 to shareholders on the Register on 6th February, 1986.

Mr. B.J. Gibbens, Chairman, reports:

CAP continues to grow profitably and in the first six months of 1985/6 has won significant orders in all sectors

Increased investment in technical resources for our people and market development for major new products will earn future profits for the Company.

CAP Group plc

233 High Holborn, London WC1V TDJ Telephone: 01-831 6144 A copy of the Interim Report being sent to shareholders can be obtained from the Company Secretary.

THE POWER

Interim profits up 140% to £30.1_M

- Sales up 112% to £451.3_M
- Earnings per share up 43% to 21.6p ● Interim dividend up 20% to 2.31p per share
 - 3 for 1 scrip issue proposed

28 weeks to 9th November 1985	1985/6 1984/5
Sales	£451·3m £212·1m
Profit before Tax	£30·1m £12·5m
Earnings per share	21-6p 15-1p
Dividend	2·31p 1.92p

 Christmas trading has been excellent and shareholders can clearly anticipate further substantial profit growth for the full year.

> Stanley Kalms, Chairman (extract from the interim statement)

Dixons

Dixons Currys

MASTERCARE -POWER CITY

Dixons Group plc, 18-24 High Street, Edgware, Middlesex,

Horizon

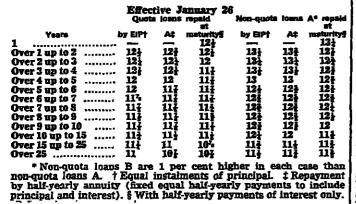
Union de Banques Arabes et Françaises—U.B.A.F. have announced their acquisition of a 51% shareholding in UBAN International Limited in Hong

This significant development is yet another success of U.B.A.F. in completing their network coverage of the Far East and South-East Asia.

U.B.A.F. is already present in Tokyo, Seoul and Singapore. A new branch is due to be opened shortly in Osaka.

The new acquisition of the majority holding in UBAN International Limited substantially adds to the active role of U.B.A.F. in financing Far Eastern international trade and more particularly the Chinese

Public Works Loan Board rates



Howden Group profits hit by stronger pound

Howden Group yesterday reported virtually unchanged interim profits, blaming the adverse effect of sterling's strength on overseas earninga.

Taxable profits were £4.19m, against £4.01m, for the six months to end-October, 1985.

Turnover was £5m lower at £88m. £88m. Mr R. C. Meech, the chair-Mr R. C. Meech, the chairman, says in general, trading and order intake for group companies' products were in line with expectations. Howden is an engineer and designs and says in the farm consists of 75 wind turbine generators, each of an engineer and designs and says in the farm consists of 75 wind turbine generators, each of an engineer and designs and says in w. Under the sale terms, Howden Wind Parks will lease and operate the farm.

He anticipates that the full year profit will advance broadly in line with the first half, although exchange rate movements make the sterling equivalent of overseas results uncertain. Profits in the 1984-85 year were £11.37m pre-tax.

An unchanged interim dividend of 8.3p is being paid. Earn-

ings per share were higher at d. Ap, against 3.5p, after tax of £1.32m (£1.33m).

The chairman says that Howden Wind Parks, formed last year to promote involvement in the US market for wind farms, in the US market for wind farms, thas just finalised its first major of California which has been sold on a leveraged lease basis for sturbine generators, each of 330 kw. Under the sale terms, the Howden Wind Parks will lease and operate the farm.

Comment

With almost 60 per cent of its business overseas, currency movements have clearly had an adverse impact on Howden's interim result. The company was not giving much away yesterday but the market took a charitable view (forecasts had been £200,000)

Ryan Hotels profits over double

IRISH HOTELS group Ryan Hotels more than doubled pre-tax profit from 15639,000 to 151,52m (151,31m) on turnover in hotels and travel up 17 per cent in the year to October 31 1965. year to October 31 1985.

Mr Conor McCarthy, the chairman, said all the group's hotels increased their contribution to profits, and the US market was strong throughout the season. Forward bookings for 1986 were at record levels, and he looked forward to further significant profits growth in the current

Lingus and Bord Failte—would bring significant growth, particu-larly in April and May. The company had also intro-duced a new programe of Golden Years Holidays geared to the year.

Earnings per share rose 110 per cent from 2.1p to 4.42p. The final net dividend is 1p, making 1.5p for the year against 0.65p last year. Years Holidays geared to the over-sixtles market. This would be expanded in 1986.

Mr McCarthy said expansion during the year had included a \$400,000 development at the Limerick Ryan Hotel, improvements at the Gresham and Blooms Hotels, and the acquisition of the 90-bed Royal Marine Hotel in Dun Leoghaire.

HunterPrint plans to seek full listing

HusterPrint, the commercial colour printer quoted on the USM stace October 1982, is to seek a full listing. The Corby-based company saw another year of rising turnover and profit, and anticipates continued growth following causiderable invest-ment in new machinery. In the year ended September 29 1935, pre-tax profits rose 18 per cent from £2.92m to £2.92m after an exceptional debit of £120,000. Tax amounted to £204,000 (£156,000) and there was an extraordinary debit of £294,000 (£38,000). The final dividend proposed is 3.2p, making 4.7p for the year, a 17.5 per cent increase on 1984. Earnings per share rose from 22.5p to 25.52p, up 13.4 per cent. Turnover rose £11.52m to £47.59m The company said the installation of new equipment at all stages of production throughout the group had been completed during the year. The product base had been broadened by the acquisition of Farndesign, and it was planned to expand this activity by extending the this activity by extending the factory and installing more high speed form presse The commercial products business had also expanded, with several new publishing contracts secured, and this

was expected to grow further

County Properties makes £6.4m after McLeod profit rise while profits before interest and tax came to £1.18m (£1.52m). Net interest payable and similar charges dropped from £1.01m to £455,000.

Turnover for the year amounted rated as the price allows litt \$4.09m (£6.97m for 18 months), the property side income.

County Properties Greup, investment holding company, lifted pre-tax profits to a record £6.41m in the year ended September 30 1985 compared with £5.33m for the previous 18 months' period.

The bulk of the increase arose from the group's 40 per cent holding in McLeod Russel, the plantations and manufacturing concern. Share of the related company's profits rose from £4.82m (for 18 months) to £5.69m. Property activities contributed a higher £724,000 (£512.000). tributed a higher £724,000 (£512,000).
With stated earnings per "B" share up to 29.50 (22.7p), the final dividend is 2.25p net for a total dividend 54 per cent higher on an annualised basis at 3.5p (3.4o for 18 months).
Mr John Guthrie, the chairman, says that following the decision to concentrate on property trading rather than investment activities, the group investment activities, the group has expanded geographically throughout the UK. Although retaining a strong presence in Scotland and the north of England, it has been the board's policy to expand the group's activities in London and the south and the board intends to undertake an ingrectively significant. the south and the board intends to undertake an increasingly significant proportion of development in those areas.

Mr Guthrie says the momentum of the group's property activities is growing and this enables the board to look forward to 1986 with confidence.

Turnover for the war amounted

Attributable profits increased from £1,25m to £2.86m, after tax of £3.37m (£2.7m), related company minority interest of £176,000 (£416,000) and an extraordinary charge last time of £964,000. • comment County Properties is clearly pondering its future. Since the private and largely Scottish oriented County backed into the listed Assam Trading in 1930, the company has been rated primarily on its 40 per cent holding in McLeod Russel, the tea, plantations and industrial group—a legacy of the Assam days. On the group's "B" shares (the "A" shares are enfranchised preference stock) the McLeod stake accounted for 105p of the 144p ner asset value per "B" share. If the McLeod stake is sold, as seems certain, County would If the McLeod stake is sold, as seems certain, County would become a pure property company with some £7.5m not in cash plus a development portfolio which earned £724,000 pre-tax in the year being reported. The disposal should enable County to boost dramatically the scale of projects it is involved in nationwide, especially in the expensive south east. A tidying up of the share structure and a dilution of the family holding would also make for greater flexibility. At 1341p the shares seem lowly

1341p the shares seem lowly rated as the price allows little for

US\$ 100 000 000.-

Credit Suisse Finance (Panama) S.A.

1134% Guaranteed Notes, Series A, due 1992 and 100 000 Warrants to subscribe

US\$ 100 000 000.— 1134% Guaranteed Notes, Series B, due 1992

NOTICE IS HEREBY GIVEN, pursuant to the Terms and Conditions of the captioned issues, that US\$ 5 000 000 principal amount of Series A Notes have been drawn for redemption at 101% of their principal amount.

The serial numbers of the 5 000 Series A Notes of US\$ 1 000 each, drawn for redemption and representing US\$ 5 000 000 principal

The state of the s

The Notes drawn for redemption will become due and payable on February 18, 1986 together with accrued interest for the period from February 13, 1986 to February 18, 1986.

On and after February 18, 1986 the Series A Notes so redeemed shall cease to bear inter-

As of this date, the outstanding principal amounts are: Series A Notes: US\$ 66 000 000 .-

Series B Notes: US\$ 34 040 000.-

CREDIT SUISSE



UK COMPANY NEWS

on to pull a disappointment out

prise since its flotation in 1982,

and yesterday's worse than

expected losses chipped another

2p off the price to leave the shares at 3Sp. Delays in bring-lng the new on-site and wide-area paging products persisted for longer than expected, leaving

Multitone struggling on as best

Standard

Securities

£927,000 (£912,000).

10% higher

Standard Securities, property

After tax of £698,000 (£714,000)

Product shortage pushes Multitone into losses

A SLIPPAGE in the introduction of some new products was the main reason for a drop in turn-over at Multitone Electronics in the half year ended September 30 1985, and this led the group into a loss of £735,000.

Mr Ian Karten, chairman and chief executive, says he hopes for a profitable fourth quarter but the group will be unable to avoid a loss over the full year. In the circumstances the interior In the circumstances, the interim dividend is being omitted, con pared with Lip net per share

This is the second year in succession that the group is suffering a setback. In the year ended March 31 1985 the profit felt from £1.73m to £515,000, largely as a result of a sharp and sudden shift in demand in North America from tone-only pagest to the from tone-only pagers to those with a 20 digital numerical display, which the company was to produce later.

Also, several planned products were displayed until the design and engineering centre in Basing.

were displayed uptit the wearshand engineering centre in Basing-

8 Lovat Lane London EC3R 86P

Granville & Co. Limited

Member of The National Association of Security Dealers and Investment Managers

Over-the-Counter Market

5 - Suspended.

launched broadly according to plan, but the delay encountered affected two high volume products which are included in establish a reputation for itself many of the on site systems that as a company which can be relied the group sells.

Other less significant factors of the hat twice a year. It has affecting the half year were yet to produce a pleasant sursome reduction in operating margins and an increase in net interest costs from £39,000 to

Further action has been taken to minimise overheads. How-ever, in view of the importance of keeping a flow of new products, development expenditure has been maintained.

Mr Karten reports turnover in Mr Karten reports turnover in the third quarter was similar to last year and slightly ahead of the rate in the first half. Quantity shipments of the on site products are about to start and the chairman hopes for a substantial increase in total shipments and a profitable fourth quarter.

Stoke was completed.

Turnover of this communications systems designer and released confirms the belief that manufacturer in the balf year fell by 13.8 per cent to £8.04m. In the market place, and will Mr Karten says most of the new products have been or are being business next year.

Telephone 01-621 1212

PR company in Burnett ship deal

Burnett & Hallamshire, the troubled coal and property group, confirmed yesterday that its Lon-don public relations advisor, City and Commercial Communications, was the majority share-holder in a company formed in 1983 to buy a ship for \$27.4m and keep the deal off Burnett's

The formation of the company
—Mincorp Shipping & Finance
—followed the discovery that
Rand London Coal, a South
African associate of Burnett, was
unable to fulfil an onerous ship
freight contract, which had been entered into before Burnett acquired its stake in Rand London.

acquired its stake in Rand London.

To avoid the probable collapse of Rand London Coal, Burnett arranged through Mincorp Shipping & Finance to buy, on hire purchase, the bulk carrier involved in the contract, the MV Hallam Venture. Burnett had a 17 per cent stake in Mincorp, with City and Commercial holding 83 per cent.

However, Burnett guaranteed the performance of the hire purchase contract and was wholly responsible for funding Mincorp's cash requirements and losses.

The nature of the MV Hallam deal was disclosed for the first time last month in documents supporting a financial rescue package for Burnett, which was approved by shareholders last Monday. However, the involvement of City and Commercial was referred to merely in a footnote disclosing that its majority stake had now been Multitone struggling on as best it could with older products for which it found a diminishing demand. The company's high operational gearing served to emphasise the effect at the ore-tax line. The full-year result is likely to show a continuation of the adverse trend into the third quarter, but with shipments of the new products now going out there may be just enough profit in the final quarter to hold losses at the half-year level. With shareholders' funds of £10m the increase in borrowings to £4m is still less than frightening, but the shares seem unlikely to find many friends on the present track record.

was referred to merely in a footnote disclosing that its majority stake had now been acquired by Burnett.

The only reference to the deal in Burnett's 1984 accounts was a contingent liability in respect of a related entity for "a performance guarantee in respect of a hire purchase agreement with annual repayments of approximately £2m over 12 years."

Mr Alan Dodd, Burnett's chief financial officer, said yesterday

concern, achieved continuing growth in the year to September 30 1985, with pre-tax profits up by 10 per cent from £1.56m to £1.72m. financial officer, said yesterday that City and Commercial had been involved because Burnett earnings per 25p share were ahead from 7.37p to 8.82p. A final dividend of 2.78p raises the final dividend of 2.78p raises the net total from 3.65p to 4.05p.

As at the end of September 1985 net assets showed an advance to 217p (203p)

Mr Gerald Leigh, the chairman, said the sale of 35 Great Smith Street, London, SW, for £7.5m, would enable the group to proceed with its programmed policy for growth despite the recent rise in interest rates.

Rental income for the period improved from £2.19m to £2.32m, but net trading income was lower at £1m, against £1.4m, Other operating income rose from £51,000 to £148.000.

Pre-tax profits were struck needed to act quickly to take on board the hire purchase agree-ment. It had, therefore, needed to find a willing party rapidly.

The Hallam deal, he added, needed to be kept off the balance

sheet to prevent it affecting guarantees and covenants in other borrowing agreements. Burnett also wanted to keep Mincorp as a separate entity, given that it had the benefit of an indemnity from Rand London covering certain losses
City and Commercial said

iower at £Im, against £1.4m, Other operating income rose from £51,000 to £148,000.

Pre-tax profits were struck after property management and outgoings £335,000 (£585,000), administration expenses £497,000 (£571,000) and interest payable \$527,000 (£912,000). liability falling on City

CAP Group leaps 42% to £1.2m

In the half year ended October 31 1985 turnover grew by 58 per cent, from £16.06m to £25.38m, and the pre-tax profit rose by nearly 42 per cent, from £673,000 to £124m Mr B. J. Gibbens, chairman,

says the group's business is sea-sonal with the second half producing the greater activity. Long term prospects for the group's services and products in international markets are very strong,

The chairman says the hard-ware element of turnover arising from turnkey contracts has in-

EXPANSION continues at CAP came to £743,000 (£506,000). Group, one of the UK's leading software houses which came to (3.1p) and fully diluted of 3.7p the stock market last July at (2.9p) per share. On top of that (2.9p) per share. On top of that is an extraordinary credit of £377,000, net on the disposal of a 50 per cent interest in Stephen Howe, a wholly owned sub-sidiary, to Westland.

comment

CAP's flotation last year could scarcely have come at a worse time, with the whole sector on the skids and th markt still raw from Micro Focus incident. Things and he expects further satisfactory growth in the second half.

An interim dividend of 0.5p net is declared, costing £109,000—it is equal to one-third of the total forecast in the prospectus.

For the year 1984-85 pre-tax profit was £2.12m.

The chairman save the terms of the total forecast in the prospectus.

The chairman save the terms of have stabilised since then, and strong rise, and the Singapore operations now back in profit. Stripping out the interest received on the issue proceeds, from turnkey contracts has increased sharply.

Since July, the group has completed the integration of Applied Communications and a substantial part of the reorganisation of the group into three operating divisions. It has increased its investment in technical resources, strategic market development and staff training.

Major contracts have been achieved in defence and in financial services. However, a number of projects in the advanced achieved in defence and in mancial services. However, a number of projects in the advanced
manufacturing technology area
tendered for in the UK are still
subject to delayed decisions.

After tax £495,000 (£367,000)
the net profit for the half year

of the next year at least, with
defence, financial and industrial
sectors all buoyant. The shares
have done well since the flotation, but now, on a prospective
p/e of 20 at 185p,they have more
than caught up with the likes
of System Designers and Logica.

Bett Brothers profits decline to £824,000

Bett Brothers, the Scottish housebuilding and property concern, suffered a 37 per cent fall in pre-tax profits from £1.32m to £24,000 for the year ended August 31 1985.

Last week, Scottish Heritable Trust announced that it had sold the forecast of about £0.8m, made when the group reported a 32 per cent drop in first-half profits.

cent drop in first-half profits.

Profits have been affected by the continuing high level of com-petition in the building industry. Applications totalling a reduced contribution from Bett Inns and disappointing results

December 1985

Applications totalling £4.47m were received in respect of the Inns and disappointing results from Bett Trucks.

Stated earnings per 20p share declined from 5.84p to 3.65p, but the dividend is maintained at 3.1p net with a final of 1.9p (same).

Turnover was down from per received in respect of the tender of £4m 8½ per cent redeemable preference stock 1996. The highest tender was £100.096 per cent and the lowest tender to receive an allotment was £100.03 per cent.

Société Générale US \$250,000,000 Floating Rate Notes 1990/1995

NOTICE OF REDEMPTION

Notice is hereby given that, in accordance with the terms and conditions of the Notes. Societé Générale has elected to redeem on 4th March 1986, all of the outstanding Notes at their principal amount. On 4th March 1986, the date fixed for redemption, there will become due and payable. on the Notes the principal amount thereof together with interest accrued thereon to the date fixed for redemption. Payment of the redemption price on the Notes will be made on or after 4th March 1986, at the principal office of Société Générale Alsacienne de Banque, 15 Avenue Emile Reuter, PO Box 2108. Luxembourg, Midland Bank plc, PO Box 181, 110/114 Cannon Street, London EC2N 6AA, Morgan Guaranty Trust Company of New York, 30 West Broadway, New York 10015, U.S.A. and Société Générale, 29 Boulevard Haussman, 75009 Paris, France, upon presentation and surrender for redemption of the Notes together with all Coupons appertaining thereto maturing on or after the date fixed for redemption.

The Coupons maturing on 4th March 1986, should be presented for payment in the usual manner. On and after 4th March 1986, interest on the Notes will cease to accrue and unmatured Coupons shall become void.

MIDLAND BANK TRUST COMPANY LIMITED (Fiscal Agent)

NOTICE OF REDEMPTION McDonnell Douglas Finance Corporation International N.V.

U.S. \$50,000,000 17% Guaranteed Notes Due 1989

Notice is hereby given that McDonnell Douglas Finance Corporation International N.V. has elected to redeem all of its outstanding 17% Guaranteed Notes Due 1989 (the "Notes") on February 15, 1986, at the Redemption Price of 101% of their principal amount, together with accrued interest to such date. Coupons maturing February 15, 1986 should be detached and presented for payment in the usual manner.

and presented or payment in the usual manner.

On February 15, 1986, the Redemption Price will become due upon all Notes, and interest thereon shall cease to accrue on and after said date. All Notes, together with all coupons appertaining thereto maturing on or after February 15, 1987, are to be surrendered for payment of the Redemption Price at the Corporate Trust Office of Bankers Trust Company in the Borough of Manhattan. The City of New York, or at the main offices of any one of 1) Bankers Trust Company in London, 2) Bankers Trust A.G. in Zurich, and 3) Banque Indosuez. Loxembourg in Lunxembourg. The Notes will be payable on or after February 18, 1986 at any one of the paying agents listed above.

McDonnell Douglas Finance Corporation International N. By: Bankers Trust Company as Fiscal Agent

November 1985 nent appears as a matter of record only

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Lonrho Finance Public Limited Company

Facilities arranged by Lloyds Merchant Bank Limited GBP 50,000,000 **Revolving Credit Facility**

Providers Banca Commerciale Italiana London Branch

The Bank of Nova Scotia

Crédit Lyonnais Kredietbank N.V.

London Branch

The Mitsubishi Bank, Limited

London Branch

Banco di Roma London Branch

International et Cie London Branch

Crédit Agricole London Branch

Standard Chartered Bank The Tokai Bank, Limited

London Branch

Banco di Roma

London Branch

CIC-Union Européenne, International et Cie

First Interstate Bank of California

Lloyds Bank Plc

Standard Chartered Bank

GBP 100,000,000 Sterling Options Facility

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Copenhagen Handelsbank A/S London Branch (Licensed Deposit Taker)

Crédit Lyonnais London Branch

Kansallis Banking Group

Société Générale London Branch

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Agent for

This announcement appears as a matter of record only

National & **Provincial Building Society**

£90,000,000

Transferable Debt Placement Facility

Lloyds Merchant Bank Limited

Banque Paribas (London) The Chuo Trust and Banking Company, Limited

Deutsche Bank Aktiengesellschaft

Lloyds Merchant Bank Limited

The Fuji Bank, Limited The Industrial Bank of Japan, Limited

Banca Commerciale Italiana Istituto Bancario San Paolo di Torino Rabobank Nederland

Providers

Banca Commerciale Italiana

Yorkshire Bank PLC

Banque Internationale A Luxembourg SA Banque Paribas (London)

Baring Brothers & Co., Limited Deutsche Bank Aktiengesellschaft

The Industrial Bank of Japan, Limited Lloyds Merchant Bank Limited

Rabobank Nederland

Yorkshire Bank PLC



Banque Belge Limited

The Fuji Bank, Limited

Malayan Banking Berhad

The Saitama Bank, Ltd.

The Chuo Trust and Banking Company, Limited

Istituto Bancario San Paolo di Torino

TECHNOLOGY

Vaccine raises hopes for fight against hepatitis B

panies are racing to market a vaccine crucial to millions of newborn children. The first Merck Sharp and Dohme, is in the final stages of clinically test-ing a genetically engineered vaccine against hepatitis B, could prevent liver in children carrying the hepatitis virus.

A surprise contender is Smith Kline-RIT, the Belgian sub-sidiary of Smith, Kline and French of the US. Its clinical results look equally promising. Liver cancer is the foremost cancer in the Far East and one of the ten most common in the

There are at least The link with hepatitis B, \$100 (£69) for three doses. remained controversial until recently. However, the World Health Organisation, based in Geneva, says "There is now firm evidence of direct cause and effect between hepatitis B virus and primary liver cancer."

mmation, is carried by more than 200m people worldwide, 70 per cent of whom are in Asia.

There, the virus is most often transmitted from infected mothers to newborn children, who carry it for the rest of their lives. The risk of the children developing liver cancer is 200 times higher than for uninfected children, and they are a major target for vaccination.

In the West, hepatitis B is also a problem but is confined mainly to particular groups, such as doctors and nurses, regularly exposed to the virus, to drug abusers, and to

d the race first. In 1981 it the US. started selling a vaccine pre- engineering they spliced, into a

THE University Grants Com-

mittee, responsible for dividing up Government finance to UK

universities, has broken with

tradition by buying software

The committee's conventional

vidual universities as one half

of the "dual support" system

for research where specific grants are awarded by research

CROSSMAGLEN, near the border between South Armagh and the Irish Republic, is a

distinctly uninviting scene for an election campaign on a cold

January morning Last Monday, the wind

whipped a stinging rain across the market square, army heli-

copters clattered overhead and British soldiers on foot patrol

swept through the town, batter

ing on a few doors in search of

IRA suspects. Mr Jim McAllister, Sinn Fein

candidate for the Newry and Armagh constituency in North-

ern Ireland's January 23 by-elections, decided not to go out

improved.

Stephanie Yanchinski, in Singapore, on the race to market a genetically engineered vaccine

the vaccine has been approved man. professor of micro-biology at the London School Hepatitis B is endemic in parts of Africa. The virus, which causes severe liver inflacine, and director of the Medical Microbiology Depart-ment and WHO Collaborating

> contributes to the vaccine's high price. In spite of the evidence, some doctors worry about the risks of contracting viruses from the original blood

This spurred Merck's development of a new vaccine made in baker's yeast, a project begun five years ago in partnership with Chiron, a genetic Merck, Sharp and Dohme engineering company based in

pared from the infected blood of US donors.

It met limited success. Dr called the surface antigen. At Stephen Hadler of the Amercan the time the surface antigen Centre for Disease Control in was believed to provoke the Atlanta, Georgia, claims there strongest immune response in strongest immune response in the body.

Atlanta, Georgia, claims there has been no significant decrease in the incidence of acute in the incidence of acute in the incidence of acute in Merck's commercial prohepatitis B, although more than 1m people have been vaccinated. Not enough of those at risk have taken the vaccine. Dr Hadler said one of the main vested and laboriously purified. reasons was the cost—about An essential part of the process \$100 (£69) for three doses.

In addition, some doctors which assembles the antigenic still doubt the vaccine's safety protein into a circular particle because it is derived from in-fected human blood. However, natural molecule. Smith, Kline and French came on the scene several years

later with much the same pro-cess but lacking the chemical At the fifth biennial meeting of the Asian Pacific Association Centre for Reference and Research on Viral Hepatitis, says it is safe.

Each batch is tested over many months on chimpanzees.

The \$6,000 cost of each animal children and adults have re-

Licence granted in Basle

CIBA-GEIGY of Basle, Switzerland, yesterday an-nounced that it had granted the Swiss-American genetic-engineering company, Biogen, a licence for a yeast-promoter system for use in the produc-tion of hepatitis vaccine, writes John Wicks in Zurich.

and Tropical Medicine. ceived at least one dose of the hand. Merck expects the Americeived at least one dose of the vaccine. Results show it to be safe and at least as effective as the plasma vaccine at raising body defences against infection.

Most impressive, however, were the preliminary results of a study in 74 Asian-American infants, born to carrier mothers, who were vaccinated with Merric's vaccine.

Hand, Merric expects the American Food and Drug Administration to approve its vaccine in June, while Smith Kline-RIT is counting on a European product registration in September.

However, it may be a while before the babies in south-east Asia benefit fully from this

research. Singapore Biotech-nology, the Singaporean company which will produce the genetically engineered vaccine for sale in the ASEAN region, has so far failed to agree with Merck Sharp and Dohme on the terms for the transfer of technology including parallels. nology, including royalties.

The Singapore hepatitis B vaccine project, designated by ASEAN ministers, involves building a \$\$20m (£6.5m) production centre. Each country has agreed in principle to a 1 per cent equity investment in a company, Singapore Biotechnology, but this depends on successful negotiations with Merck. **Telephone message** that failed to get across to the UK

the UK, in spite of its attractions, with under 20 systems installed, according to a report from Eosys, technology consul-

Voice messaging systems (VMS) are computers with disk stores integrated with, or forming part of, a company's telephone exchange (PABX).

When a caller tries to ring an extension that is engaged or is not answered, he is connected to the VMS. He can then leave a message in the "voice mail-box" of the called party, who can, on his return, interrogate his box for messages.

That such systems would be worthwhile is borne out by some "folklore statistics" quoted by Eosy's. For example only one in four telephone calls only one in four telephone calls reaches its intended recipient first time, while over half the calls made in most organisations carry only one-way information. Only 25 per cent of the calls require immediate attention. Above all, it is said that 60 per cent of calls are less important than the work they interrupt.

One of the drawbacks is cost which in the two to nine-line.

which, in the two-to-nine-line range, varies from under £11,000 a PABX line to more than £30,000, depending on the

facilities.

Even in the US the range is between \$4,000 (£2,772) and \$14,000. But Eosys says the per line figures can be misleading because the number of users supported by a particular size of system depends on the appli-cation and the amount of disk

store provided. In the US, some early predictions were not fulfilled.

VOICE MESSAGING is rare in In 1979, for example, International Resource Development, a market research company, expected the market to reach \$180m in 1982. The actual figure

was \$6m.

But the 1983 and 1984 figures were \$40m and \$100m respectively, with Rolm and VMX Inc each taking about 25 per cent in 1984. More than \$200m may have been reached last year but some observers believe the market has peaked In both countries the focus is expected to be on systems with up to 16 lines, whereas early emphasis in the US had been on 32 and 64 lines.

Eosys makes no guesses about the future size of the about the future size of the UK market but says the first levels of integration of VMS into the PABX are already evident. Given an appropriate handset, "message waiting instructions can be delivered which removes the need to keep calling the VMS to see if there are any messages. The PABX tells the VMS the extension the caller was trying to reach and then gives direct access to the appropriate mailbox. Mitel offers such a facility. The main contenders in the

computing and office automa-IBM, Sperry and Wang. The principal UK manufacturing companies are Ferranti and Information Technology. The Ferranti Voice Manager is distributed by six other UK companies.

Voice Messaging System, 150pp; £100; Eosys, Farnham Common, Slough, Bucks (02814

GEOFFREY CHARLISH

Engineering Research Council

to increase the number of post-graduates. This has been done

by creating masters degree

courses in integrated circuit de-

He said the council had been

involved for several years in

supporting integrated circuit

fabrication at Southampton, Edinburgh, and Sheffield. Dr Bill Morris, managing

director of Sillcon Micro-systems, said: "Certainly from

our own business point of view, it is much easier to get a deal

with one authority organising

BORIS SEDACCA

universities."

sign at about six universities.

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Five-year deal on circuits

THE SEMICONDUCTOR sub-sidiaries of GEC in the UK and Thomson in France have agreed on a five-year coopagreed on a nve-year coop-erative programme aimed at making it quicker and easier for engineers to develop application-specific integrated circuits (Asics). The Asic is expected to

become increasingly important in the communications and computing areas of electronics where engineers strive to design chips for par-ticular applications with features and advantages not pos-sessed by the competition. The two companies will seek to reduce both design and prototyping time.

The technology to be used

is HCMOS (high-speed compli-mentary metal oxide semi-conductor) with 1.2 micron (millionth of a metre) spacings of the parts on the chips. Electron beam (abrication will

After two years' work the companies expect to have developed component Hbraries, computer-aided design. tools and prototyping facili-

In the last year of the project the aim is to demonstrate that a fully tested prototype can be produced on one chip in less than a month.

Wire alarm device

ORGANISATIONS concerned about theft may be interested in the Electro Thread, lengths of wire, easily attached to small items, which trigger alarms when taken past electromagnetic

The wires, in 4 ins strands costing about 3p, are produced by Knogo, 2 US company with UK head-quarters in Marlow, Bucking-hamsidre. They follow the same principles as electronic tag security systems, also sold by Knogo, which are used by

(PH05), is already being used by Ciba-Geigy for the expres-sion of Alpha interferons and tissue plasminogen activator in baker's yeast. When combined with Biogen's hepatitis gene, it will provide a higher yielding and controllable

arguing that confirmatory electronics Cad, for which I an in-house Cad system devised knowledge of silicon devices is to get more people in inteletters still had to be sent. However, they are believed to
The problem has said was part of the confirmatory electronics Cad, for which I an in-house Cad system devised knowledge of silicon devices is to get more people in inteby the UK semiconductor comphysics. licences from a number of letters still had to be sent. How-computer-aided design system suppliers for distribution to include Reliant Microsoftens rad and Silicon Microsystems. The licences cover mechanical engineering computer - aided design (Cad), architecture and role is to allocate funds to indi-

microelectronics. Dr Peter Jones, of Manchester University, chairman of the committee's working party Committee officials refused to on microelectronics fabrication

UK NEWS-POLITICS

Hugh Carnegy assesses the campaign in Crossmaglen

Split among the nationalists

threatens election chances

University grants body buys software licences

that it was too expensive to buy such facilities for individual universities. "What we have negotiated is a nationwide educational licence for the use of the software."

The software is believed to include Racal's Isis, capable of handling integrated circuit de-

high level of complexity re- allows for the automatic placequired by its Transputer micro-

standard cell libraries, which tern generation are "Lego blocks" of electronic functions allowing customers to design chip layouts quickly and with a better silicon utilisation involved with the committee's than gate-array technology, microelectronics working party, disclose the suppliers with and computer-aided design, signs of up to 250,000 compo- than gate-array technology, microelectronics working party, which it had been dealing, said: "The major need is for nents, which was evolved from without requiring an in-depth said: "The principal objective

ment of components on the chip surface. Genrad supplies a logic Silicon Microsystems provides simulator with links to test pat-

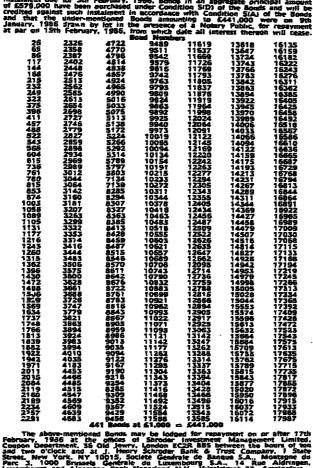
Professor Eric Dagless, of Bristol University, who is also grated circuit design out into

"A major limitation, as far as microelectronics education is concerned, is the total inadequacy of computing facilities and software available in universities. That is one of the questions being addressed by

the committee now. "There has been a major initiative by the Science and

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as one of the most vulnerable Unionists

would appear to be Mr Enoch Powell, whose majority of 548 in theory ought to increase because of the absence of a candidate from the Rev Ian Paisley's Democratic Unionist Party. However, the SDLP have some hope that some hardline Unionist disaffection with Mr Powell combined with a fall in the Sinn Fein vote could let in Mr Eddie McGrady. In Mid of the DUP. in spite of having the smallest majority in the House of Commons of 78, should with the help of more

US\$75,000,000

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FINANCIALTIMES EUROPE'S BUSINESS NEWSPAPER

LONDON-FRANKFURT-NEW YORK

Anglo-Irish accord has had little impact in Republican areas

ment signed last November.

holding its 40 per cent share of the nationalist vote in the four seats it and the moderate Nationalist Party, the Social Democratic and Labour Party, are contesting. "Keep up the pressure on the Brits" was the slocar.

slogan.

Whether he will be proved correct on January 23 is something both London and Dublin will be watching intently. Their accord giving Dublin a formal role in Northern affairs for the first time was designed to undercut support for the IRA and Sinn Fein, its political wing, by redressing Nationalist grievances.



canvassing until the weather Instead, he sat in Sing Fein's dingy office in a corner of the nationalist/catholic majority.
These are Newry and Armagh,
Fermanagh/South Tyrone, MidUlster and South Down. square opposite the town's army fortress and contemplated the coming poll, brought about when the province's 15 Unionist MPs resigned their seats in Newry and Armagh repre-sents the best chance for a protest at the Anglo-Irish agreenationalist win. At the 1983 election, Mr Seamus Mallon, The agreement, he said, made little impression in traditiondeputy leader of the SDLP, trailed Mr Jim Nicholson of the ally Republican areas. Sinn Fein was confident of at least official Unionist Party, by just

over 1,500 votes. Mr Nicholson Mr Nicholson, the only Unionist candidate then and now, polled 18,988 votes to 17,434 for Mr Mallon and 9,928 for Mr McAllister. The leftwing Workers Party, which also has a candidate this time, won 1,070 votes. Crucial this time is how many of the 12,000 people who did not vote last time, two-thirds of whom are

people who did not vote last time, two-thirds of whom are reckoned to be nationalists, come out on January 23.

Mr Mallon expects Mr Nicholson to raise his share by 1,500 to 2,000, leaving the SDLP needing about 4,000 new votes to win. The question is whether he can draw support away from Sing Fein or whether he must rely on getting out previous rely on getting out previous non-voters. The thrust of both the Sinn Fein and the SDLP campaigns, at least in Newry and Armagh.

role in Northern affairs for the strict time was designed to undercut support for the IRA and Sinn Fein, its political wing, by redressing Nationalist grievances.

Few people doubt that the Unionists will receive overwhelming backing from their community for their rejection of the agreement in the election. Less clear is the response of nationalists.

Sinn Fein, which opposes the accord, and the SDLP, which supports it, are fighting only those seats where there is a constituency but there is a tacit and sales of the alternative and armagh, suggests that neither party agreement agreement to have too much effect.

Mr McAllister says the hope that some hope tha

concession in Mr Mallon's cam-paign that he does not expect

to steal too many votes from He is campaigning clearly on the message that he is the only candidate who can defeat Mr Nicholson. The Anglo-Irish agreement is mentioned in

SDLP leaflets but rarely on the doorstep. When it does come up, canvassed and canvasser express mutual scepticism about its chances of success. Unlike Mr Nicholson, whose

canvass is a brusque affair of shaking hands with the faithful Mr Mallon spends time with each voter. He puts his changes as fair. "The wind is not in our face, it's slightly at our back That's one thing we know," he says. The metaphor is apt because bad weather on the 23rd would hit the nationalist vote harder than the well organised

Because of the split nationalist vote, the prospects in the other three seats of beating the Unionists are slim. In Fermanagh/South Tyrone, the split should allow Mr Ken McGuinness of the OUP to beat

Enoch Powell is seen

off the challenge of Mr Owen Carron, the Sinn Fein former MP who has been allowed ball to fight the election. He faces charges of possessing a rifle and

After Newry and Armagh, the most vulnerable Unionist

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Financial Times Thursday January 16 1986

BUSINESS LAW

The written word may not be the last word

By A. H. HERMANN, Legal Correspondent

IN THE end, one discovers, therefore be grateful that the parties enter into a contract, conclude that they made sound principles as the laws of covered that it can achieve law partly in writing and partly by other countries. Only it takes a reform without Parliament by a conduct, the court must look long time to discover them simple restatement of the law— at all the evidence from start because they are shrouded in a device well known to Amerito finish to see what the bargain's mystery which English lawyers can lawyers and used by them was that was struck between solve while imbibing at the Inns with great effect. of Court dinners by which they qualify for advocacy.

One such mystery has been invoked now against the Roskill proposals for the abolition of the jury in complex fraud trials. "By whose standards will the honesty of the defendant's conduct be judged by such a tribunal?" asks the Law Society. According to the classic defini-tion, cleaned of all the unnecessary embellishments provided by clever defence lawyers, fraud consists of behaviour designed consists of beneviour designed to lead others into error for the offender's own gain. Such behaviour does not need to be qualified as dishonest by a jury because it has already been declared dishonest and punishable by the law.

Though the question of fraud is highly topical in the City of London at present, it is not the most important legal concept obscured by historical ballast and muddled thinking. It took the Law Commission, an august body of five top lawyers concerned with law re-form, over 10 years to discover that the so-called Parol Evidence Rule, according to which (it was believed) written contracts cannot be varied, contradicted or subtracted from by means of oral evidence, is no rule of law at all. Not to speak of the usual linguistic muddle of using the term "parol" as equivalent to "oral."

In its report, published last week*, the Law Commission apparently concludes that to try to remove such superstitions by legislation is like beating the air. "We hope," says the Commission, "that this report will itself go some way towards clarifying the law and that a process of re-education, if necessary, is a more satisfactory means of achieving justice than any attempt to legislate."

Had the Law Commission concluded that legislation was necessary, nothing would have happened anyhow because Parliament's attention is more personalities than by such boring matters as the interpre-

In the absence of a codification of the law of contract, attempted but given up by the Law Commission, we must be grateful for such little blessings as the Commission provides and of which their latest report is one.

Ten years ago, when the Law Commission published its work-ing paper number 70 on the Parol Evidence Rule, it still assumed that such a rule of law existed, though it suspected that the exceptions to it were so numerous and so extensive that the rule itself had been largely destroyed by them. Since then, the composition of the Commission has changed and it has reached the conclusion that this so-called rule is no more than a circular state-ment to the effect that when parties to a contract record in parties to a contract record in writing all the express terms of their agreement, evidence contradicting or altering those express terms will be inadmissible because it is irrelevant.

If two parties agree that, in

a year's time, one will build a three-bedroomed house for the other, according to a specified design and record this agreement in writing, there is no point in considering evidence that they did not make such an agreement. However, such an agreement is far from complete and unequivocal. The parties could have orally agreed provisions about access to the house, of the parties to be selected in the country of t its heating, the colour of its walls, the delay which the investor will allow if necessary, the terms of payment and many other matters, discussed before or after the written contract was made and not recorded. All such matters can, of course, be subject to oral evidence when it comes to a dispute between the parties.

The so-called Parol Evidence Rule could be applied only when there was a written contract—one which contains all the terms of the agreement. Evidence that something pre-ceding or additional to the written document was also agreed immediately disqualifies the document - it is no longer a written contract but merely the written part of a contract. When

3 Gossip with Jill's climbing

4 The first time in, played

5 Stumble on oil product that's

7 Flexible tile bent and put round the top of the handle

He paints the scenery on a hill (9)

13 Odd campers-about ten-on

21 The man I'd brought back in was a sculptor (5)

23 Shot right away, being old-

24 Joy is upset, for example

Solution to Puzzle No. 5,922

COMPOSTRIBAD MONITOR TO THE A DATE OF THE SOUND TO THE SOUND OF THE SOUND TO THE SOUND OF THE SOUND THE SO

about the Parislan (4)

a steep slope (10)

sieve (7)

fashioned (5)

6 Ring me after Septen

1st, for certain (4)

moves skilfully (7)

capital (7)

companion, the toad! (10)

the parties, as Roskill LJ said in Evans & Son [1976] 1 WLR

A recent decision of the German Supreme Court (BGB I ZR 238/83) reveals an identical approach and confirms that treatment of documentary evidence is much the same in civil law systems.

Often one encounters the view that the discussions which lead to a contract should not be considered as an aid to its interpretation.

In the US the written contract must be presumed to be the complete record of the parties' agreement if it appears, to be so on its face. Such a rule would be a theoretical possibility in the UK but, as the Law Commission states: "No English court so far, as we are aware, has so stated the rule and we are confident such proposition does not represent English law today."

On the contrary, Lord Russell, CJ, saidt that when parties arrive at a definite written contract there is a strong presump-tion that it is intended to con-tain all the terms of their bargain, but it is only a pre-sumption, which can be dis-

The presumptinon that document which looks like a contract is to be considered as the whole contract is one of fact and not of law and can be dis-placed by evidence. What the parties had in mind is not of decisive importance but the court will have regard to what was said or done as well as to the documents and whether a reasonable person would take the document as containing the whole of the agreement.

The Law Commission reached the opinion that a so-called "merger" or "integration" clause stating that nothing was agreed that is not contained in the document has no conclusive, effect. Indeed, if the parties intended that an additional term should be recorded in the document, any one of them could ask the court to rectify the document. If the parties intended to achieve something they did not include in the contract, the court might

English law rests on the same Commission has finally disthat was made partly orally, another collateral contract verbally and that this existed along side the written contract. The integration clause would not prevent the court reaching such

> There is a greater problem when orally agreed terms conflict with the written terms but even here the solution is no more difficult than when the court is faced with a document inconsistent with each other. In either case, the court will have to decide which of the inconsistent terms more nearly represents the intentions of the parties.

The Law Comission points out that the magic attached to documentary evidence is rooted in the medieval system of classifying evidence into categories, some superior to others. But the overruling principle in But the overruling principle in force at present is that the intention of the parties must be established by whatever evidence is most suitable.

The "written contract" itself may be an exchange of letters

or a formal written contract ambodying the provisional agreement reached earlier but not valid in itself, or a record of a previous oral agreement which was valid at the time when it was made but was superseded by the document.

Written contracts of this sort represent the whole of the agreement between the parties or part of it, or they can run in parallel to another contract and have to be considered together with that parallel contract unless they are docu-ments of title such as promissory notes, bills of exchange or bills of lading. Even in the case of such negotiable instruments the immediate parties may be bound by an oral, collateral warranty while other holders of by its negotiation are bound in the written instrument.

The Law Commission rep will be found most useful by practitioners and businessmen. It shows that a written contract is not the end of the world but it also points out that the apparent completeness of a written contract has the practical effect of deterring unwarranted efforts to deny its iterms.

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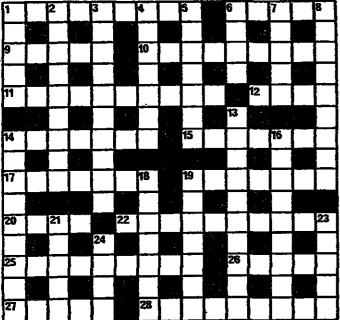
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ACROSS

- 1 Added: "Pop back with the chandelier" (9)
- 6 Likewise cover with solvent
- 9 Put the party record in the front of the store (5) 10 The way I'm acting could be puzzling (9)
- 11 Cite, or put another way,
- "there's something painful about punishment!" (10) 12 Show in, except for the
- Egyptian leader (4) 14 The spoil-sport, unusually jolly, is following "The King and I" (7)
- 15 Coffee is often in assorted tins, a sort of brown colour ought take into confession
- 17 Local oil apt to be distributed round about (7)
- 19 School type has broken arm after midnight drive (7) 20 Was informed "there's no
- point being cruel" (4) 22 Reluctant to be ill (10)
- 25 Having little swellings, one adult confused the leading
- doctor (9) 26 Expel for writing about vice
- on the middle watch (5)
- 2? Where one sims, with the water I removed, to get the end taken off (5)
- 28 Softened in some way. there's very little need for cooking (9)

- 1 For instance, detectives turning up with an echo sounder (5)
- 2 Stationery item from oddly-shaped parcel Philip is holding (5-4)

APPOINTMENTS

International division posts at NatWest

Mr Robin Butcher has been appointed senior international executive, with NATIONAL WESTMINSTER BANK'S world corporate group, international banking division based in London, having previously been chief manager of the Bank's Hong Kong branch. Mr Reger Lacy moves from Singapore to become chief manager in Hong Kong and is succeeded in Singapore as chief manager by Mr Mike Brigden formerly manager of Natwest's marketing and co-ordination department, interna-tional banking division in London.

RRISTOL AND WEST BUILD-ING SOCIETY has made a series of management changes. Two new assistant general managers have been appointed. Mr John Burke, formerly agency manager, manager operations and planning and Mr John Clarke, formerly London and south east regional manager becomes assistant general manager mortgage and related services. Two existing assistant general manager manager managers assistant general managers assume new responsibilities. Mr Robert Coverdale is appointed assistant general manager marketing and Mr John Hutton will become assistant general will occome assistant general
manager corporate information
and analysis. In a new tier of
management, Mr Brian Norris
becomes strategic planning controller, Mr Michael Stoble
becomes branches and agencies
controller, Mr Roy Hill becomes management services controller and Mr Geoffrey Thomas becomes property controller.

Dr Udo Ziegenhern has been 14 A former war minister takes a room with Elizabeth — (9) appointed head of the London representative office of BREMER LANDESBANK succeeding Mr Sydney Haywood, senior representative.

18 Getting nothing back, cuts out the medicine (7) FOLGATE INSURANCE CO, has appointed Mr Anthony Newell as general manager. 19 Cook, somehow, when first grated and put through a

Alexander & Alexander has formed a new company, ALEXANDER STENHOUSE, to control the combined retail broking operations of Alexander & Alexander and Reed Stenhouse in the UK following the merger of the companies. Mr John B. Devine, who sits on the A & A Services board, has been named chairman of Alexander Stenhouse, with Mr John D. Loudon as deputy chairman and chief executive. The chief operating officers of the two main operating companies in the Mr John D. operating officers of the two main operating companies in the UK have also been appointed to the main executive board. They are Mr Ronald Forrest, of Alexander Stenhouse UK, general broking arm of the UK business, and Mr Allan Durward, of Alexander Stenhouse Financial Sarvices employee benefit. life assurance and investment arm. In addition, Mr Ian Robert-

Mr Klaus Hebben has been appointed chairman of CAL FUTURES.

MERCANTILE HOUSE HOLD-

INGS has made the following board changes in moneybroking subsidiaries. Mr Richard Toomer is appointed chairman of Marshall Woellwarth & Co. of Marshall Woellwarth & Co. and Marshall (Sterling), and has responsibility for the European region of moneybroking activities; Mr Sid Muller is appointed chief executive of Marshall Woellwarth and Mr John Tee chief executive Marshall (Sterling). Mr Mich Warren is appointed executive director responsible for the moneybroking group planning. Mr Michael Knowles has retired from the Marshall group and Mercantile House Holdings.

Mr Peter Fernandez has been appointed director for sales and marketing by C. H. BEAZER HOMES WEST. Mr Fernandez was marketing manager, and takes over from Mr Eric Dyer who has been appointed assistant managing director.

ARREY NATIONAL BUILD-MR SOCIETY has appointed Mr Terence Murphy as general manager with responsibility for personnel. He was assistant general manager (personnel).

Mr Paul F. Rogers, has joined WELDING RODS as a technical director with a seat on the board of the group parent company.

Christopher Fenney has been appointed personnel director of ARA SERVICES. He joins from Manns Brewery Co, where he was personnel director.

Mr Terry Adams has been appointed chief executive and director of the SKIPTON BUILDING SOCIETY. He joined in October 1983 as general manager and has seen the Society nearly double in size during the last two years.

ALFALAVAL AGRI 2 new company which incorporates the Alfa-Laval group's UK agricultural activities, has made three board appointments. The chairman is Mr Bo Wirsen, who man is Mr Be Wirsen, who remains managing director of the UK group's holding company. Deputy chairman is Mr Lelf Bogerson, the managing director of Alfa-Laval's Swedish Agri group. Appointed managing director is Mr John Stafford, formerly managing director of the Alfa-Laval UK farm equipment division. ment division.

manager of the FSSEX WATER COMPANY, has been appointed

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Court backs Tin Council immunity

By Stefan Wagstyl THE INTERNATIONAL Tin Council, which is holding its latest round of emergency meetings on the tin crisis this week, won a claim to diplomatic immunity from legal action in

Arab Banking Corporation, one of the ITC's 16 banking creditors which is suing the council for £15.5m, failed in an attempt to win a court order stopping the council from sell-ing assets.

Mr Justice Steyn, in a private hearing in chambers, ruled that the ITC was immune from enforcement orders of this kind. He rejected Arab Banking's argument that the ITC had waived its immunity in a clause putes to be submitted to a UK court. The judge ruled that this clause referred only to the and not as an enforcement

agency.
It is understood that the judgment leaves Arab Banking free to continue legal action to try to recover the loan money.

It is unclear to what extent
the ruling establishes a general
precedent on the question of
the ITC's immunity. Lawyers acting for the tin council and for the creditors to whom it owes hundreds of millions of pounds will be closely studying the judgment, which Mr Justice Steyn made public.

Three London Metal Exchange brokers have started arbitration proceedings against

arbitration proceedings against the council under the rules of the LME. They believe that if they need to turn to the courts to enforce an arbitration ruling they can because the head-quarters agreement setting up the International Tin Council, the International Tin Council, export enhancement programme, a \$19.17 per tonne bonus) says that immunity is waived announced last June. But contrasts with a recent commerin the case of arbitration American farmers are still cial sale of the same type of

secure a negotiated settlement of the crisis continued yesterday at the ITC, which adjourned its meeting until tomorrow. The council set up a small group to meet today with the authors of the latest rescue plan—Mr Peter Graham, senior deputy chairman of Standard Chartered Bank and Mr Ralph Kestenbaum joint managing director of broker Gerald Metals.

The group will discuss objections to the plan which calls for the creation of a new company to take over the council's assets and liabilities.

EEC warned on surpluses MARKETS

RUNAWAY SURPLUSES and nadequate controls threaten to make many sectors of the EEC's
make many sectors of the EEC's
Common Agricultural Policy
(CAP) both "unmanageable
and unfinancable," according to
an unusually stark annual report published yesterday by the European Commission.

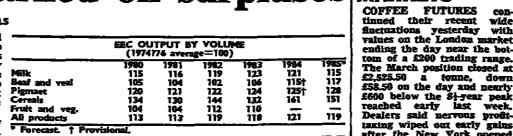
Moreover, the accession of Spain and Portugal to the Com-munity will add to the strains on the CAP, the 440-page Agricultural Situation in the Com-munity (1985) warns.

This deeply gloomy con-clusion comes in stark contrast to the more upbeat analysis incomes, it says.

presented last month in the The survey of

Reviewing the state of the with the Community's other markets for farm produce, it states: "With so many Community markets saturated, and with poor prospects for In the Ten, agriculture increased solvent demand or accounts for roughly 8 per cent insufficient to bring about a to 3 to 1 is healthier market balance or Portugal.

even prevent some surplus Small is even prevent some surplus Small inefficient farms—the stocks becoming unmanageable root of the EEC's agricultural problems—abound



pushed through. Furthermore, new measures will exacerbate Spain, the figures are 70 per the problem of tackling overcent and 80 per cent supply while attempting to respectively.

maintain the level of farm In addition, the potential

The survey opens with an account of the likely effects of enlargement of the Community presented last month in the summary of a six-month-long account of the likely enects of debate between the Commissions' agricultural managers and the farming industry on the future of the CAP. This points out that EEC farming—already relatively inefficient compared with the Community's other community's other accounts.

reduced competing supply on of employment but contributes world markets, it is clear that existing market instruments are duct. This 2 to 1 ratio, falls to 3 to 1 in Spain and 4 to 1 in

problems—abound on the Iberian peninsular. In Portu-This applies even to sectors—
such as dairy and wine—where gal, 87 per cent are holdings of wide-ranging reforms have been less than 5 hectares, and 94 per last year, hit earnings, however.

respectively.

In addition, the potential growth in output for Mediterranean produce, stimulated by higher EEC prices and grant aid, is likely to boost output of many products already in surplus.

The new member states will increase the number of holdings.

increase the number of holdings within the EEC from 6.8m to 9.8m while production will rise from a value of Ecu 150m yearly to Ecu 168m. However, the accession will also reduce the EEC's farm trade deficit from Ecu 23.6m to Ecu 16.6m. Contrary to many claims, the report argues that farm in-comes have risen marginally in real terms by an average of 0.3 per cent per annum between 1975 and 1984 while the total value of production rose by 2.3

US export bonus scheme begins to show results

BY NANCY DUNNE IN WASHINGTON

THE US Administration is at red winter wheat at considerlast beginning to see results ably reduced prices. Last week's from its much-heralded deal at \$119.50 per tonne (with from likely to have surplus wheat wheat to South Korea at around stocks at the end of this year \$138 per tonne. just 1m tonnes less than the entire output of Canada, Argentina and Australia combined, according to figures just published by the US Agriculture Department (USDA).

The export enhancement programme, which pays exporters bonuses from Government stocks, has produced 10 sales since November 15. According inconsequence to USDA officials, Egypt, market. Turkey, Philippines, Iraq, Morocco and Zaire have all made purchases — totalling more than 2m tonnes of commodities — which

India rejects call for tea

turned down a plea from the tea industry that it should fix Speaking to tea growers. Mr F. K. Tripathy, chairman of the

Thus far, the department has given bonuses totalling \$152.3m in wheat, flour, maize and sorghum. This is far short of the \$2bn three-year programme originally announced by Mr John Block, the Agriculture Secretary in a bid to win back markets lost to competitors such as the EEC—but it is not The tea industry has been up-

set by the frequent changes in export policy over the past couple of years, including the temporary export ban, the export ceiling and the recently-scrapped minimum export price. • In our article of December 20 on the Toro and Mityana Tea lowering of loan rates for farm | Company, we referred to a \$5m products in a bid to make farm | loan from the International Fin-

export pledge

The Indian Government has a stable long-term policy on ex-

Indian Tea Board, said the Government did not understand how a long-term policy an-nouncement would boost India's export capacity, and that it could easily be derailed by price fluctuations on the world mar-

It would be funded with £200m of risk capital from member governments, £50m from banks bought 456,600 tonnes of hard between the new was expected under the new wealth Development Corp has asked us to point out that it was also a participant in this credit.

Max Wilkinson on the forthcoming Saudi/UK oil talks

The battle of nerves intensifies

Britain are to hold talks about the oil market begs the immediate question: "What could prices is less pronounced, with

Saudi Arabia's policy has been to draw non-Opec countries, particularly Britain, into some sort of understanding, the UK Government has repeatedly stated that it will have nothing to do with any oil cartel aimed at supporting prices by cutting at supporting prices by cutting at supporting prices by cutting to fall. perhaps very steeply, unless output is curtailed.

It is not obvious where there can be room for compromise, yet the very fact that Sir son Grant, estimates that cur- side Opec very limited.

Geoffrey Howe, the Foreign Secretary, agreed that a further meeting should take place to run well behind last year 100% suggests at the least that the temperature of mutual anxiety has been rising.

Since the last Opec meeting

in Geneva on December 7 it has become increasingly obvious that Saudi Arabia's threat to engage in an aggressive push for an increased share of the market was in deadly earnest. One major oil company esti-mates that the kingdom is pumping about 4.9m barrels a day this month. That is some 13 per cent more than the maximum quota agreed by Saudi Arabia with its partners in Opec, and it is twice the level Saudi production during the last period of weakness in the oil market in the summer and early autumn.

Saudi Arabia has therefore completely turned the tables on the other 13 members of the oil cartel. After a year in which it scaled down its own production to an average of 32m b/d from a quota of 4.35m b/d, it is now exceeding its quota by more than any other Opec member

ducts. These deals now account about half of Saudi oil

sales.

The first netback deals, negotiated in September, are due to expire this spring, but there is a strong concerns in the oil and the sales.

At the top end, that cut represents more than 8 per cent of total world oil supply. It more than equals Saudi to expire this spring, but there is a strong concerns in the oil of the sales. to expire this spring, but there Arabia's total output last year is a strong consensus in the oil or the whole of North Sea out-

they possibly have to talk netback prices working out at costs are about?

netback prices working out at costs are between \$25 and \$26 per barrel, growth. While the major thrust of but this is well below price Saudi Arabia's policy has been levels last autumn.

less output is curtailed.
Mr Mahdi Varzi, oil analyst, for the London broker, Grieve-

US petroleum stocks continue to run well behind last year with stocks of crude last week falling 23.6m barrels behind the level at the same time in 1985, according to the Ameri-

can Petroleum Institute (API), writes Nancy Dunne in Washington.
At the end of last week, crude stocks stood at 318m barrels, down 5.5m barrels from the previous week. Stocks of distillate fuel oil rose slightly to 144m barrels but remained 15m barrels below 1985 levels.

Residual fuel oil stocks edged down 1.7m barrels dureuged down 1.7m barrels during the week to 46m barrels.
Demand has been dropping,
and residual stocks are now
8.7m barrels lower than during the same week last year.
Stocks of petrol are now 15m
behind 1985, an improvement from the gap of the summer. They were reported at slightly more than 226m barrels.

rent output by the Opec countries is running at 17.5m to 18m b/d. He believes that in absolute terms.

It has been doing this partly by increasing its efforts to back to between 14m and 15m steemer for itself a "core market" through discounted or "net-back" deals. These are contracts in which the price paid for Saudi crude is tied to the prices obtained by oil to the price of should be price to be scaled thave the ability to respond to a threatened price collapse by significant production cuts. But this will have to be scaled thave the ability to respond to a threatened price collapse by significant production cuts. But does not be price of about 28m b/d.

Mexico. Egypt and Colombia are the ability to respond to a threatened price collapse by significant production cuts. But does not be price of about 28m b/d.

The consultant production will be price of about 28m b/d.

The consultant believes that this will have to be scaled by a threatened price collapse by significant production cuts. But the present of about 28m b/d.

The consultant believes therefore the ability to respond to a threatened price collapse by significant production cuts. But this will have to be scaled that this will have the ability to respond to a threatened price collapse by significant production will be a threatened price collapse by significant production will be a threatened price collapse by significant production will be a threatened price collapse by significant production will be a threatened price collapse by significant production will be a threatened p to be cut by around 3m to 4m b/d during the next few months. At the top end, that

is a strong consensus in the on industry that they will be renewed on similar terms.

The effect of this increased production has been evident in the balance, could happen at the whole of the put.

This cut in production to bring supply and demand back into balance, could happen at the whole of the production.

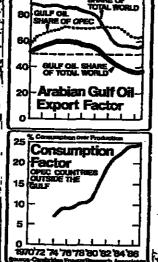
HE ANNOUNCEMENT on market Brent crude is being gradual fall in oil prices could Yet what, in practice, could uesday that Saudi Arabia and offered at little above \$20 per be accepted with equanimity, Britain and other non-Opec costs and some stimulus to

Meanwile, Mr Block this week announced a dramatic

products in a bid to make farm exports more competitive. This

However, any sharp fall in oil prices below, say, \$18 per barrel could create major problems, particularly if it led to a perhaps 200,000 to 400,000 b/d. run on sterling, and general international uncertainty about half this amount from other

Cambridge Energy Research Associates (Cera), the US consultant, points out in its latest However the total contribution world Oil Watch that the scope for reduced production is out the most be only about 1m b/d



practice it says only the UK. Norway, Egypt, Mexico and Colombia and the Soviet Union

fore that the target of Saudi Arabia's recent aggressive strategy is North Sea production. In the case of Britain, this has been emphasised by the recent \$4bn deal for Britain to sell Tornado aircraft, with part

sent out to North Sea operators to extend maintenance periods

matched by perhaps a cut of non-Opec producers. Continued production difficulties in the Soviet Union might also help. and might be only half this

Cera comments: "However, the likelihood of timely, adequate and sufficient reductions is small," at least until the price fell below \$20 per barrel.

At around \$18 per barrel some high-cost North American oil production would become uneconomic so that production of some 1.5m b/d to 2m b/d could be stopped temporarily. On the other side of the supply-demand equation a sharp some rebuilding of stocks, which Cera estimates might add 1m to 2m b/d to demand for up to

So, sooner or later, the price will be vulnerable, and in the words of one senior oil execu-tive: "It will carry on falling Thus although Saudi Arabia

and Britain, have, in one sense, nothing to talk about, they also have, like all poker players, a great need to watch each other carefully, to keep up some sort of conversation and to guess each other's deepest intentions. In Britain there is already a clear recognition that forces" could not be allowed to gallop away with the price beyond all limits.

As one senior official remarked: "Whatever the consequences for Britain, we would be bound to be worried about the effect of a serious price collapse on some of the debtor nations and on the world's banking system." So at some point very important tele-phones could start ringing.

sell Tornado aircraft, with part of the payment in oil.

At one level, this is merely a recognition that almost all UK, will not take advantage of Saudi revenues are derived any restraint by Opec members from oil; but in present worker. The effect of this increased production has been evident in the weakness of the oil market. Although spot prices have not, on the whole, moved dramatically. Brent crude is now 22 per cent below its price in November 1985 when it was just over \$30 per barrel. In the forward and supply and demand back a recognition that almost all UK, will not take advantage or any restraint by Opec members from oil; but in present warket by over-vigorous undercutting conditions, the barter deal or "counterproductive" politically. Brent crude is now 22 per the necessary cuts in supply or increases in demand, at least in the short term.

Britain's position is that a precognition that almost all UK, will not take advantage or any restraint by Opec members from oil; but in present warket by over-vigorous undercutting conditions, the barter deal or "counterproductive" politically. Brent crude is now 22 per the necessary cuts in supply or increases in demand, at least in the short term.

Britain's position is that a precognition that almost all UK, will not take advantage or any restraint by Opec members to outling the price of the oil; but in present warket by over-vigorous undercutting conditions, the barter deal or "counterproductive" politically. Brent crude is now 22 per the necessary cuts in supply or increases in demand, at least in the short term.

Britain's position is that a precognition that almost all UK, will not take advantage or any restraint by Opec members the over-vigorous undercutting conditions, the barter deal or "counterproductive" politically. Britain between Saudi and British producers.

tinned their recent wide fluctuations yesterday with values on the London market ending the day near the bottom of a £200 trading range. The March position closed at £2,525.50 a tonne, down £58.50 on the day and nearly £600 below the \$1-year peak reached early last week. Dealets said nervous profitaxing wiped out early gains after the New York opened after the New York opened sharply below overnight levels. Though fundamentals remain strong, operators are opting for caution in view of the possibility of the early suspension of International Coffee Organisation export quotas — expected in any ease by the middle of next case by the middle of next month — and a downturn in coffee prices on Brazil's Sao Paulo exchange. Early losses on the cocoa futures market were partly recovered during the day but the May position still ended £11.50 down on balance at £1.713 a tonne. Talk of Pakistani and Indian buying interest helped to lift sugar values a dollar or two sugar values a dollar or two following the recent decline. On the London Metal Exchange profit-taking and long-liquidation trimmed back copper prices following the recent advance. Cash higher grade metal slipped back below to \$1.000 to \$2.000 to \$1.000 to low the £1,000 a tonne mark, which it breached on Tuesday for the first time since mid-September. Other base metals were also weaker.
LME prices supplied by

Amalgamated Metal Trading. ALUMINIUM

Unofficial - or closerp.m.) - High.low £ per tonne Official closing (am): Cash 795-6 (797-5), three months 822-3 (823-5), settlement 795 (797.5). Final Kerb close: 825-9. Turnover: 21,450 tonnes.

COPPER

Cash 997-8 -5 1000-997 5 months 1024-5 -5 1030-1024 Official closing (am); Cash 997-5 (1005.5-6), three months 1005.5-6 (1030.5-1), settlement 997.5 (1006). Final Kerb close: 1026-26.5. Cathodes

Gash 981-5 ~6 3 months 1012-3 ~5.5 Official closing (am): Cash 983-5 (987-8), three months 1014-6 (1018-9), actilement 985 (988), Turnover: 26,300 tonnes. US Producer prices 69.5-73 cents per pound.

Unofficial + or closesp.m., High/low 2,250 kg.

E per tonne

Sales: 53 (64) lots of 50 carceaes, 3,250 kg.

MEAT. COMMISSION—Average fat-Cash 355,5 6,5 -2 256,7/298,5 5 months 366,5 -1,5 367,5.256 Official closing (am): Cash 256.75-7 (257-8), three months 257.25-5 (267-5), settlement 257 (258). Final Kerb close: 286.67 Tumover: 10,800 tonnes. US Spot: COCOA 18.5-20 5' cente per pound.

NICKEL

2825-40 -2.5 ; 2890-10 -15 2910/2890 Official closing (am): Cash 2810-20 (2835-45), three months 2889-90 (2905-15), settlement 2820 (2945). Final Kerb close: 2890-00. Turnover: 584 tonnes.

Unofficial + or :close (p.m.) — High/low : £ per tonne Cash 435-6.5 —8.75 — 3 months 450-1 —8.85 153/448 Official closing (am): Cash 436-7 (447-5), three months 448.5-9 (438-90), settlement 437 (448). Final Kerb close: 451.5-2.5.
Turnover: 5,950 tonnes. US Prime Turnover: 5,950 tonnes. US Prime Western: 33-33.75 cents per pound.

GOLD

Gold rose \$6 to \$346-345°; on the London bullion market yesterday, to the highest closing level since November 13 1934. The metal opened at \$341°;-342, the day's low, and was fixed at \$345.30 in the morning and \$346.75 in the altermoon. It touched a high of \$348-248°, supported by demand which took gold shove a technical resistance point, in spite of the lock of any fresh news. GOLD BULLION (fine ounce) Jan. 15

Close \$345-3451₂ (£2391₂-240) Opening \$5411₂-342 (£237-2371₂) H*nl'g fix, \$546.35 (£240.065) GOLD AND PLATINUM COINS Krg*rnd s347½348 ½ Krug. \$194-184½ ¼ Krug. \$194-184½ ¼ Krug. \$34-94 ¼ Krug. \$36-39 Maplelest \$457-357½ Angel \$34-59 1/10 Anget \$34-59 New Sov. \$254, 93¼ ¼New Sov \$49½ 50¼ Old Sov. \$91-92½ \$20 Eagle \$450-490 hoble Plat \$376-580

SILVER

Silver was fixed 6.05p an ounce higher for apot delivery in the London buillion market yesterday at 424.05p. US cant equivalents of the fixing levels were: apot 610.2e, up 9.65c; threamonth 621.65c, up 9.65c; threamonth 621.65c, up 9.85; and 12-month 659.25c, up 10c. The metal opened at 418-420p (602-604c) and closed at 4211-423 p (603-611c).

LME-Turnover: 24 (37) lots of 10,000 Three months high/low 437p, final kerb 433-35p.

PHYSICALS — The London market opened steadier, found resistance at higher levels, but closed on a steady note, reports Lewis and Peal. Closing prices (buyers) spot 59.00p (58.25p). February 57.70p (58.75p), March 57.25p (57.50p). The Kuela Lumpur lob prices (Malaysta/Singapore cents) per kg RSS No 1 was 182.5 (182) and for SMR 20 173 (171).

INDICES FINANCIAL TIMES Jan. 15 Jan. 14M th ago/Yearago (Base: July 1 1952=100

REUTERS Jan. 15 Jan. 14 M th ago Year ago 1854.41858.4 1775.7 ; 1981.1 DOW JONES Dow! Jan. | Jan. | Month Year Jones 14 | 13 | ago | ago Spot 132.06 132.26 — 120.99 Fut. 135.90 136.39 — 124.91

MAIN PRICE CHANGES

METALS \$1215/285 —5 S1165,25 nut (Phil) \$890v —5 |\$410 Malayan |\$350z —5 |\$405

Copra Phil 5240v \$245 Soyabean (U.S.) | 5822,2v | +1,2 5222 Barley Fut. Mar. £115.45,+0,25£113.96 Malze £141.50-0,39£142.58 Wheat Fut. Mar. £117.50+0,49£115.55 No. 2 Hard Wint. 1

Cocca Pt. May | E1713 -11.5.£1785.5 Coffee Pt. May. | £2558.5. -58.5.£9481 Cotton A Index | 51.70c +0.444.50c Gas Olf Mar. | 5203.75 +2.75 \$228.75 Rubber (kilo) | 550 +0.7567.0p Sugar (raw) | 5117V -4 191.5 Wooltope 64s | 400p kilk | | 400p kilo

After a quiet morning, prices rose in the afternoon due to fresh trade buying and short-covering in good volume. The market appeared well supported despite continuing weakness in the physical market, reports Eastern Capital-CCST.

| Per No (deserweight) | Per No (deserweight)

THE T. CUMMISSION—Augrage 1st. Stock prices at representative markets. GB—Cattle 94,99p per kg kw (-1.45). GB—Sheep 186.85p per kg est dow (-14.45). GB—Pigs 70.87p per kg kw (-2.22). GB—AAPP 100.78p per kg dw (-0.88).

Futures opened marginally higher, as due, and remained in a narrow range until late attermoon, Prices then cetrasted under pressure from trade selling although light short-covering on the close lifted prices from the day's lows. Some light second-hand market activity was noted on nearby actuals but origins and industry appeared sidelined, reports Gill and Duffus.

April 354.7

June 359.3

Oct 367.8

Dec 372.5

Feb 377.3

June 386.0

Oct 395.5

HEATING Oil.

42.000 US gallon

Latest

Yesterday's
Close + or Business
E per tonne
Done COCOA -March. 1705-1706 -12.0 1725-1825 May 1718-1714 -12.0 1735-1722 July 1737 1738 -7.0 1722-1723 Sept. 1756-1757 -10.0 1772-1753 Dec. 1770-1771 -8.0 1784-1783 March. 1795-1810 -8.5

Sales: 2935 (2676) lots of 10 tonnes, ICCO Indicator prices (US cents per pound). Daily price for January 15: 105.24 (105.40); five-day average for January 16: 105.64 (105.73). COFFEE

The market opened £128 higher spainst a healthy New York close in the spot position but heavy trade and commission house selling gradually established the levels for the rest of the days. Relentless selling pushed levels £220 lower with a weaker New York market helpag to maintain the pressure, reports Drayet Burnham

Seles: 10,570 (4,453) lots of 5

Seles: 10.570 trans, trans, trans, trans, 14C0 indicator prices (US cents per pound) for Jenuary 15: Comp daily 1979 211.70 (206.12); 15-day average 213.67 (212.13). FREIGHT FUTURES

Despite an unchanged physical marker, futures levels rose in quiet trading. The gains were restricted to the first two positions, with the nearby July losing ground from Tuesday's settlement, reports Clarkson Wolff. The Baltic Freight Index was 912.5, down 4.5. The Tanker Freight Index was 871, down 13.

Jan. 907/809 910/804 904/810 April 964.5/869 856/862 960/861 July 818/825 825 Oct. 920/927 915/825 April 1000/1010 1000/1018 April 1000/1010 1000/1018 April 1000/1010 920/946 Oct. 955/890 970/990 GRAINS

Old crop wheat sgale moved to new contract highs with shipper short-covering and lack of physical offers the major features. Profit-taking provided a good trade and gains were trimmed 15-20p late in the day. Sarley was a touch stasdier in light trade and new crops sew some profit-taking to remain in a tight range around unchanged levels, reports Mulirpace.

Jan ... 114.40 Mar... 117.30 May ... 180.50 July ... 122.90 Sept... 99.80 Nov ... 102.90

stocks led to a firm tone to energy values. The grain com-plex remained steady to firm with maize gaining on rumours of Russian interest.

The soyabean complex also attracted good buying in meal and beans on Russian interest. NEW YORK ALUMINIUM 40,000 lbs, cents/ib

COCOA 10 topm

COPPER 25,000 lbs, cents/ib

66.30 66.05 66.50 67.25 66.80 67.25 67.80 67.25 67.15 67.35 67.35 67.55 67.60 67.80 67.75 67.80 67.25 67.15 67.25 87.35 87.35

COTTON 50,000 lbs. cents/lb

GOLD 100 tray oz, \$/tray az

Close 348.5 350.7 352.6 354.7 389.0 383.3 367.8 377.3 388.0

Latest 63.00 66.40 63.50 61.25 60.00 50.20 60.30 60.50 61.40 61.01

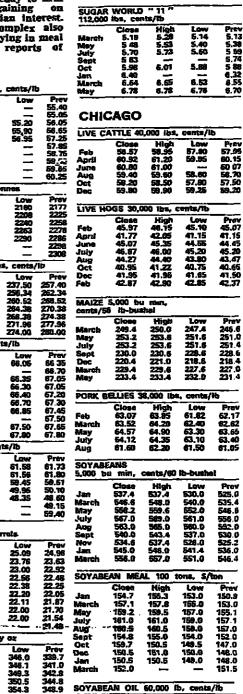
US MARKETS

PRECIOUS METALS moved sharply higher on good speculative buying linked to favourable technical indications along with heightened tension between the US and Libya, reports Heinold Commodities. Copper and aluminium cant: under scattered selling pressure on an overbought condition. Sugar registered modest gains on short-covering as commercial buying emerged, Cocoa traded

buying emerged, Cocoa traded in a tight range reflecting the lack of fresh news. Fears that quotas will be suspended next week led to sharp losses in

coffee. Cotton traded mixed with light country movement

lending support to old crop. A large drawdown in crude



PLATIMUM SO troy ox. 5/troy oz

20.90 21.25 20.92 21.25 20.75 20.95 20.75 20.85 20.72 20.85 20.73 — WHEAT 6,000 bu min.

LONDON GRAINS—Wheat: US dark nothern spring No 1 15 per cent Feb 136, Mar 137.25 selfers transhipment east coast. US No 2 soft rad winter, Feb 126.25, Mar 125.50 selfers. EC french Jan 136 selfer. English feed fob Jan 117, Feb 119. Mer 121, April/June 124 selfers. Matze: US No 3 yellow/French transhipment east coast Jan 141.50. Barley: English feed fob Feb 118. Mar 119. April/June 122 selfers. Rest unquoted.

Business done—Wheat: Jan 114.65-4.25, Mar 117.46-7.05. May 120.65-0.10, July 122.95-2.55, Sept 99.75. Nov 103.00. Seles: 688 lots of 100 tonnes. Barley: Jan 112.85-2.65, Mar 115.50-5.30, May 117.80-7.75, Sept and Irov untraded. Seles: 194 lots of 100 tonnes.

SUGAR LONDON DAILY PRICE—Raw sugar \$117.00 (081.50), down \$4.00 (down £2.50) a tonne for January-February delivery. White sugar \$158.50, down \$2.50.

per tonne

Sales: 1,373 (1,924) lots of 50 tonnes. 1.3/2 (1,32) 1615 of 60 tonnes. Tate and Lyle delivery price for granulated basis sugar was £183.00 (£185.50) a tonne for export. International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for January 14: Daily price 4.49 (4.73): 15-day average 4.80 (4.85).

SOYABEAN MEAL

PARIS—(FFr per tonne): March 1223-225, May 1257-1260, Aug 1312-1315, Oct 1347-1356, Doe 1370-1381, March

C per tonne | 65.8 + 1.49 | 155.8 | Apr. | 155.5 | 155.5 | + 1.49 | 155.8 | Apr. | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155.5 | 155

February Brant traded a few times as low as \$23.20 but recovered to trade at \$23.35. March Brent was discounted a dollar, and April a further 80c. Forcado; sellers were looking for a dollar over Brent prices. Saudi Arabian crudes were not trading spot. Nymox WTI opened 20c up for February and gained a further 7c by 1.30 pm EST. An upturn in futures gave a boost to gae oil with naphtha prices also talked up in thin trade. Fuel weakened on good supply and little buying interest—Petroleum Argus, London.

SPOT PRICES Latest + or CRUDE OIL-FOB (\$ per barrel)-Feb.

Petroleum Argus estimates GAS OIL FUTURES

Turnover: 2,373 (4,542) lots of 100

POTATOES The merket opened on a Cautious note, with brokers uncertain whether the previous strong their close would encourage further buying. Yesterday's Previous Busines

MARKETS

tonnes.
CRUDE ON, FUTURES—Brant Blond Index. S a barrol. (Close, change, business done): (ndex 23.18, -0.52; Feb 23.60-23.70, +0.27, 23.60-23.40; Mar 22.55-22.80, +0.30, 22.50; April 21.60-22.00; May 20.80-21.50; June 20.50-21.00.
Turnover: 31 (33) lots of 1.000 barrels.

CURRENCIES, MONEY and CAPITAL MARKETS

Sterling gained 15 points to \$1.4415-1.4425, but fell to DM 3.55

from DM 3.5525; FFr 10.8950 from FFr 10.90; and SFr 3.0025

CURRENCY MOVEMENTS

CURRENCY RATES

Sterling.
U.S.S....
Canadian
Austria S
Betgian i
Danish K
D'mark.
Guilder.
French F
Lira
Norway |
Span'h P
Swedish

FOREIGN EXCHANGES

Talk of rate cuts hits dollar

Jan. 15 Prev. close

£ Spot | \$1.4410-1.4426-1.436-1.437 | 1 month | 0.60-0.56pm | 0.63-0.62pm | 3 months | 1.66 1.61pm | 1.72-1.69pm | 1.70-5.65pm |

Forward premiums and discounts apply to the U.S. dollar

the dollar's index fell to 125.9

Speculation about lower interest rates pushed the dollar down on the foreign exchanges yesterday. The US currency retreated from a peak of DM 2.4750 to close at DM 2.4625 f. Spot \$1,4410,1442814 in London, compared with DM 2.4660 previously, after Mr Martin Bangemann, the West German economics minister, said that Mr James Baker, the US Treasury secretary, hopes to discuss, and if possible agree to a co-ordinated cut in interest rates, at a meeting of finance ministers from the Group of Five leading industrial nations, in London this weekend.

Treasury secretary, hopes to discuss, and if possible agree to a co-ordinated cut in interest rates, at a meeting of finance ministers from the Group of Five leading industrial nations, in London this weekend.

Mr Bangemann met Mr Baker in Washington on Monday, but the talks were private and the US Treasury secretary would make no comment when approached yesterday.

Mr Bangemann's remarks were enough to send the dollar, but showing a slightly weaker trend against a weekening dollar, but showing a slightly weaker trend against continued to weaker trend against continued to susiness inventories. This was in line with most forecasts, while the October rise was revised up to 0.6 per cent from 0.5 per cent.

Against other major currencies the dollar fell to 125.9 from FFr 7.5675; SFr 2.0820 from Y202.60.

On Bank of England figures

On Bank of England figures in renewed downward pressure. POUND SPOT-FORWARD AGAINST POUND

Jan 15	Day's spread	Close	One month	% p.s.	Three months	%. p.a.	Jan. 16	Senk of England	Morgan Guarant
us	1,4345-1,4450	1,4415-1,4425	0.57-0.54c pm	4.61	1.66-1.67 pm	4.52		index	Change
Cunada	2.0211-2.0295	2.0211-2.0296	par-1¢ dis	-2.96	2.00-1.00pm		Sterling	78.0	-13.1
Nethind.	3.97%-4.00%	3.99-4.00	25-25c pm	7.51	7-64pm	6.96	U.B. dollar	125,9	+15.6
Belgium	72.25-72.66	72.35-72.35	22-13c pm	2.90	54-42pm	2.66	Canadian dellar		~12.0
Denmark		9.00%-9.01%	41-31 ₋ 0m	3.70	125-115 pm	3.62	Austrian schilling .	122,2	+6.4
reland	1.1545-1.1630	1.1575-1.1585	0.13pm-4cdis	-0,18	0.10-0.40dis	~0.86	Beigian franc	93.1	9,2
W. Ger.	3.53-3.554	3.544-3.557	24-24pf pro		7 1, - 7pm	8.03	Danish Kroner		2.4
Portugal	227.11-229.36	227.76-229.38	120-415c dis	-14.08	377.5-1180p	-13.46	Deutsche mark		+12.1
Spain	220.54-221.45	220.98-221.28	36c pm-25c dis	-1.00	5am-85dis	-0.81	Swiss franc	161,2	+11,9
Wly	2,409-2,424	2.417-2.418	7-10lire dis	-4.00	19-24dis	-3.00	Guilder	121.5	+7.4
Norway	10.924-10.954	10.94-10.95	hom-he dis	-0.27	1- 1 -pm	0.22	French franc	70.8	~11,5
France	10.843-10.90	10.89-10.90	31,-21,c om	3.11	27-1pm	0.69	Lire	45.4	-19.3
Sweden	10.95%-10.99%	10.96-10.99	apm-sore dis	-0.27	13-1pm	0.59	Yen	176,1	+ 26,8
ia pen	2901-2924	2914-2924	14-14y pm	5.00	4) -4 4-pm	8.00			
Austria	24.93-25.01	24,98-25.01	10°-9°-gro pm		401_371.pm	6.22	Morgan Guaranty	changes:	4A6LSO
Switz.	2.981-3.001	2.993 3.003	24-24c pm		65-63-pm	8.50	1980-1982=100, Ba	ndt of Engl	واعوا إدعو
Be	down rate is f	or convertible d dollar 3.18-	francs. Financia 3,13c pm. 12-mo	i franci oth 5.70	73.40-73.50. -5.55c pm.		(bose swings 1975	=100).	

DOLLAR SPOT-FORWARD AGAINST DOLLAR

	Day's spread	Close	One month	% p.a.	Three months	% p.s.
Jan 15				<u> </u>		
Ukt	7.4345-1.4450	1,4415-1,4425	0.57-0.54c pm		1.66-1.61pm	
Irelandt	1.2401-1.2485	1.2415-1.2430	0.60-0.45c pm		1,80-1,45pm	
Canada	1.4040-1.4096	1.4045-1.4065	0.22-0.25c dis		0.63-0.68dis	-1.86
Nothing.	2.7630-2,7880	2.7705-2.7715	0.61-0.59c pm		1.66-1.63pm	
Selgrum	50.15-50.50	50.10-50.20	7-Sc dis		25-29dis	-2.14
Denmark	2.4520-2.4763	9.003-9.013	par-0.70ore dis	-0.47	0.65-1.35 <i>d</i> is	-0.44
W. Ger.	2.4520-2.4750	2,4620-2,4630	0.79-0.74c pm	3.72	2,14-2.09pm	3.42
	1674-1584	157%-158%	150-350e dis	-18.98	450-1000d	-18,35
Portugel	163.20-154.05	153.55-153.65	45-70c dis		185-235dis	~5,49
Spein		1.676-1.677	12-13tire dis		357-36dis	-8.49
Itoly	1,674-1,686-2	7,58%-7.59%	3.05-3.45c dis		8.55-8.95dis	-4.60
Norway	7.574-7.614	7,30%-7.35%	1-1.30c dis		7.76-8.50dis	-4.31
France	7.53-7.584	7.554-7.554	3.10-3.50ore dis		8-8-40dis	-4.30
Swoden	7,804-7.64	7.611-7.62			0.70-Q.56pm	1.34
Japan	202.10-202.75	202,30-202.40	0.22-0.19y pm		7.75-6.25pm	1.61
Austris	17.30-17.38	17.324-17.335			2.10-2.05per	3.98
Switz.	2.0750-2.0940	2.0815-2.0825	0.76-0.71c pm	4.23	T IO-T-Ocher	. 4.30

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dellar and not to the individual currency. Befgian rate is for convertible france. Financial franc 50.90-51.00.

EXCHANGE CROSS RATES

Jan 16	£	. :	DM (YEN	F Fr.	8 Fr.	H FL	Lita	C\$	B Fr.
£		1.443	5,550 9,462	202,5	10,90 7,556	2.082	2.770	1616.	3.700	
DM	0.289	0.406 4.943		1000.		10,29	19,08	0200.	0,070	271,5
F Fr. S Fr.	0.916	1.354 0.4E0	3 258 1,182	267.8 97,17	10, 3,629	2,756 1.	1.551	200.2	0.070	37,50
	0.850	0.361 0.596	0,889 1,468	73.03 120.7	2,727 4,507	0.752 1,242	1,653	605.1 1000.	0.507 0,838	18,10 29,91
C.	0.494	0.712	1.753	144.0	5,379 15.07	1.482 4.153	1.972 6.526	1194. 3544.	1 1	35.70
ten per	1,000:	French i	Fe per 1	D: Lire	per 1,00	O: Belg	Fr per	100.		

FURO-CURRENCY INTEREST RATES

Jan. 14	Short	7 Days notice	Month	Three Months	Six Months	Year
Sterling	87, 87, 91, 93, 51, 63, 37, 41, 4,54,6 87, 9	12-184 81a 814 91c-954 51a 554 214 21c 4 4 446 9 91a 1454-1614	1213-1213 813-84 934-10 556-554 4-4-4 934-10 1613-1712	1278-13 5:1-8:4 9:1:-10:1: 5:5:-5:4 4:1:-4:1: 4:4:4:1: 1214 131:2 16:4-17:1:	1876-15 5/5-875 9/1-10/6 558-554 4/6-476 456-454 1216-1256 1656-1678	1278-13 84-838 942-10-4 5-4-54 4-5-44 114-117 154-16
B.Fr.(Fin) Br.Fr (Con) Yen	914 915 914 945 672 7 814 813	956-976 916-954 7 716 814-854 814-856	934-10 10-1032 613-715 814-816 1 8/6-816	914.10 10 1014 514.578 814.914 813.816	912-934 974-1056 618-618 9-912 8-18-8-18	914-919 919-10 612-658 9-919 8-6-8-8

Long-term Eurodollars: two years 83-9 per cent; three years 9-94, per cent our years 94-94 per cent; five years 83-94 per cent nominal, Short-term rates to call for US dollars and Japanose yen; others two days' notice.

FUTURES

Prices recovered from the day's lows in the London International Financial Futures Exchange yesterday on suggestions that interest rates would fall. This followed comments made by Mr Martin Bangemann, West German economics minister which included ideas that major nations should all reduce their states of the state o

below the day's highs.

However, some long positions may be built up ahead of the weekend just in case there is some concerted move to lower rates at this weekend's meeting of the group of five finance ministers. Three-month sterling deposits for March delivery opened at 87.03 and fell quite sharply on early selling to a low of 88.78 before consolidating around 86.85 for much of the morning. Prices had nudged 86.90 before the Bangemann announcement and then rose sharply to a high of 87.30. It closed after some late adjustment for profit taking at 87.10, little changed from 87.11 on Tuesday.

15	rate	Drawing Rights	Currency Unit	POUND	-\$ (FO			_
	—		<u>'</u>	Spot	1-mth.	3-mth,		
	712		0.615502 0.885236	1,4420	1.4365	1,4257	1.4105	1.385
n 3,	10,21		1,24570	IMM-	STERLIN	3 Se per	£	
Seh. Fr	934	I N/A	44.6070		Letest 1.4315	High 1.4265	Low 1.4350	Pro
ن 	7	9,87959 2,69980		March June	1.4150	1.4705	1.4180	1.4%
7	5 91g	3.03933	2,45919	Sept Dec	1.4040 1.3940	1.3990 1.3985	1.4060	1,399
	1612	N/A	1489,85					
	5	N/A	179,305	LIFFE	STERLIN	G £25,00	G 2 bet :	ξ
Кт., Ча.,	8	8.32029 168.341	136,167		Close 1.4320	High 1,4290	Low 1.4265	Pre 1.425
K	1012	8.35146 2.28 2 09		March June	1,4155	1,4200	-	1.413
r'oh	201g		132,599	Sept	1.4015 ed volum		m _	1,400
Ł		0,677837	0.111091	Previou	s day's	open int	<u>ب</u> (کروو	5)
DR r	ete for	January 1	4: 1.531 96 .	UFFE	DEUTSC	HE MARI	CS	

C\$/SDR rate for January 14: 1,53196.	DM 125,000	
HER CURRENCIES	Ci March 0.4	•

ASTU TO		•
Auf alla Brazil Finland Greece H'kong Itan Kuwait Lux'burg Malay'as N'Z'land Seuid Ar Sin'pore S,A'(Gm) S,A'(Fn)	2,0705.2,0745 15,994.16,085 7,8165.7,8292 214.19.216.06 11.2824.11,286 10.165.04175 72.25 72.35 78.250.5.3850 2,8160.2,8290 5.2505.5,8550 3,5575.30825 3,5547.5,3693	11,115-11,117 6.4360 5.4590 149,50-150,00 7.8050-7.8070 84.30 0.3857-0.2897 50.10-50,20 2.4460-2.4450 1.9588-1.9645 7.5513-5.6517 2.1250-2.1270 2.3364-2.3474 3.0076-3.1007 3.6725-3.6735

(11.00 a.m. Jan. 15) Three months U.S. dollars

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for 510m quoted by the market to

LONDON MONEY RATES

2.00 pm 78.0 3.00 pm 78.0 4.00 pm 78.0

	Ecu central rates	Currency amounts against Ecu January 15	% change from central rate	% change adjusted for divergence	Divergence Hmit %
elgian Franc anish Krone srman D-mark ench Franc utch Guilder ish Pont alian Lira	44,8320 8,12857 2,23840 6,86402 2,52208 0,727578 1520,60	44,6070 7,98129 2,18432 6,70124 2,45819 0,711891 1489,86	-0.50 -1.81 -2.42 -2.37 -2.49 -1.76 -2.02	+1.05 -0.26 -0.87 -0.82 -0.94 -0.20 -1.38	±1.5425 ±1.5421 ±1.1455 ±1.3854 ±1.5162 ±1.6673 ±4.0856
Changes	are for E	eu, therefore	positiva che	nge denotes	8

week currency. Adjustment calculated by Financial Times

FINANCIAL

recovery

from FFr 10.90; and SFr 3.0025 from SFr 3.01, and was unchanged at Y291.75.

D-MARK — Trading range against the deliar in 1985-86 is 3.4510 to 2.4375. December average 2.5120. Exchange rate index 131.6 against 124.0 six provides as months ago.
The D-mark improved against which included ideas that major
nations should all reduce their
interest rates. This prompted
a strong demand for all contracts
during the afternoon although
profit taking and some second
thoughts on the full text of his
statement left values some way
below the day's highs.

E500,000 points of 100%.

March 27.10 87.30 28.78 27.31 287.50
Sept 88.05 88.10 87.80 88.02
Sept 88.05 88.10 87.80 88.02
Settimated volume 9,083 (15,930)
Previous dey's open int — (8,534)

FT-SE 100 INDEX
25 per full index point

Tuesday.

Euro-dollars for March delivery opened at 91.88 and improved gradually to 91.91 before drifting back to 91.85. However there was renewed buying interest at this level and upward momentum accelerated during the afternoon so that the price touched a high of 92.08 before finishing at 91.97 up from 91.92 on Tuesday. 91.82 on Tuesday.

Bond prices acted in much the same way and suggestions that the market still retained some underlying bullishness attained respectability in view of the pace

CURRENCY FUTURES

чп					
7	POUND	—\$ (FO	reign e	KCHANG	E) _
2	Spot	1-mth.	3-mth,	6-mth. 1.4105	
36	1.4420	1.4365			1.3636
70 20	INTA-	STERLING	3 Se per	<u> </u>	
70		Latest	High	Low	Prev
29	March	1.4315	1,4285		1.4265
52	June	1.4150	1.4105	1.4180	1.4105
19	Sept	1.4040	1.3990		1,3998
4	Dec	1.3940	1.3385	1.3940	7.3885
35 15	11275	STERLIN	G 625.00	0 S per i	<u></u>
55 11 57				Low	Prev
7		Close 1.4320	High 1.4290	1.4265	1.4290
4	March	1,4155	1,4250	1-4495	1,4130
9	June	1.4015		_	1,4000
)9)1	Sept	ed volum	- 45 /69		.,,,,,,,,
	Paradour Decidour	er Anite		~; 	ES.
-	Lifelon		oben mr	[-,
6.	UFFE	DEUTSCI	HE MARI	CS .	

1080 High Low Crew 1095 D.4084 Q.4075 0.4068

STERLING INDEX	
Jan 14 Previo	115
8.39 am 78.1 78.3	
9.00 am 78.0 78.3	ł
10.00 am 78.0 78.4	
11.00 am 78.0 78.3	
Neon 78.0 78.0	

Six months U.S. dollars

working day. The banks are National Westminater Bank. Bank of Tokyo, Deutache Bank, Banque National de Peris and Morgan Guaranty Trust.

Month Months Months

78.1 78.1

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecs January 15	% change from central rate	% change adjusted for divergence	Divergence Hmit %
sigian Franc snish Krone srman D-mark anch Franc stch Guilder ah Pont	44.8320 8.12857 2.23840 6.86402 2.52208 0.72*578 1520.60	44,6070 7,88129 2,18432 6,70124 2,45819 0,711891 1489,85	-0.50 -1.81 -2.42 -2.37 -2.49 -1.76 -2.02	+1.05 -0.26 -0.87 -0.82 -0.94 -0.20 -1.36	±1.5425 ±1.6421 ±1.1455 ±1.3654 ±1.5162 ±1.6673 ±4.0856
Change	are for F	cu. therefore	positiva che	nge denotes	8

Cutting Your Risks If you make payment in a currency other than your own, you fear the potential rise

in its cost between now and payment time. If you *receive* payment in such currency, you fear a fall in its value between now and receipt time.

Currency Swings:

Through interbank and other counte balancing transactions, we can relieve you of your concern. Phone or telex.



8% \$100,000 32nds of 700%

US TREASURY BONDS (CBT) 8% \$100,000 32nds of 100%

June 78-20 78-24 78-June 78-20 78-24 78-Dec 77-12 77-30 77-March 77-04 77-16 75-June US TREASURY BILLS (IMM) 51m points of 100%

Previous day's open int

CHICAGO

Closs High Low 83-03 83-18 82-16 81-30 — —

o ume 7,509 (7,800)

92.16 ---

High 92.08 91.91 91.67 91.44 91.10 90.86 90.65

Puts—Leat
Feb Mar Apr June Sept
— 0.00 — 0.13 —
— 0.01 — 0.41 —
— 0.07 — 1.04 2.20
0.05 0.40 0.91 2.24 3.83
0.57 1.49 2.38 4.18 6.10
2.61 3.85 4.87 6.92 9.00

Puts-Feb Mar — 0.15 — 0.25 — 0.35 0.25 0.50 0.50 1.05 1.96 3.50 4.60 7.40 8.40

20-YEAR 12% NOTIONAL GILT 550,000 32nds of 100%

10% NOTIONAL SHORT GILT £100,000 64ths of 100%

Close High Low Prev 139.90 139.80 138.40 138.15 141.90 — 139.85

March 139.50 139.50 138.40 138 June 141.00 — 139 Estimated volume 402 (919) Previous day's open int — (1,912)

Close High Low Prev
March 91.97 92.08 91.85 91.82
June 91.82 91.90 91.67 91.62
Sept 91.60 91.57 91.47 91.39
Oec 91.37 91.31 91.22 91.16
Estimated volume 4,518 (4,491)
Previous day's open int — (19,596)

LIFFE-EURODOLLAR OPTIONS

LIFFE E/S OPTIONS £25,000 (cents per £1)

LONDON SE E/S OPTIONS

PHILADELPHIA SE E/S OPTIONS £12,500 (cents per £1)

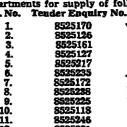
Worldollar Corp. 488 Seventh Ave. New York 10018 (212) 947-8297 Telex 269356

Contracts and Tenders

GOVERNMENT OF INDIA AIR HEADQUARTERS, INDIAN AIR FORCE TENDER NOTICE

On behalf of the President of India, Director of Purchase, Air Headquarters, IAF invites sealed tenders on our prescribed forms from original manufacturers/authorised stockists/ suppliers with record of previous supplies to Government Departments for supply of following stores on FOB basis:—

Sl. No. Tender Enquiry No. Short description of items



Hunter Air Frame Spares

Canberra Rotables
Aircraft Electrical Spares Avon Engine Accessories Aircraft Oils and Greases A 21 Flare Smoke

Tender documents can be had from the office of the Director Tender documents can be had from the office of the Director of Purchase, Air Headquarters, Vayu Bhavan, New Delhi 110011 (Telex No. 31-85622) on payment of £10 by Demand Bank Draft payable to "CDA HQ NEW DELHI" on State Bank of India, New Delhi. Tender will be opened at 14.00 hours on 6 March 1986 in the presence of tenderers who attend. CORRESPONDENCE/COMMUNICATION will be with this office in India directly and queries will not be entertained by Indian High Commission Office in London.

Legal Notices

No. 007859 of 1985
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
MERCANTILE HOUSE HOLDINGS
public limited company
AND IN THE MATTER OF
THE COMPANIES ACT 1986
INE COMPANIES ACT 1860
NOTICE IS HEREBY GIVEN that the

936.
Deted this 13th day of January 1986.
CLIFFORD-TUANER
Blackfriers House.
19 New Bridge Street
London ECAV 687
Salisians to Company



FINANCIAL TIMES 10. CANNON ST, ECAP 4EY

With effect from 1st January 1986 Nordic Bank PLC changed its name to Den norske Creditbank PLC

Den norske Creditbank PLC

20 St Dunstan's Hill, London EC3R 8HY Telephone: 01-621 1111 Telex: 887654, Telefax: 01-626 7400 Gp3 Cables: Dennorske London

MONEY MARKETS UK rates easier but still very nervous

Short term rates tended to firm a little however in response to a large upward revision in the day's producted shortest to a large upward revision in the day's projected shortage. Overnight funds opened at 111-111 per cent and caused initially to 10-11 per cent before reacting to the large shortage and rising to 15 per cent. Late balances were take around 11 per cent.

MONEY RATES

Jan. 15	Ov'r-nig't	One Month	Months	Months		In'v'ntion
Frankfurt Paris Zurich Amaterdam Tokyo Milan Brusela	4,55 4.60 8N ₄ 7a·1 ls 5is 65 _a 7,03125 146a 15 9,50	4,65 4,80 8,2 9,1 4,6 4,7 5,1 5,2 7,15655 15 4-1534	=======================================	4.60 4.75 9 914 4-1 4-1 5-1-5-1 7.09575 143-1518 912 918 1178-1218	=	! =

Interest rates were a little easier yesterday but the market remained unconvinced of the authorities' ability to avert further upward pressure. Period rates from one month out to one year were virtually flat, underlying the market's lack of direction. With the market still showing some signs of shell shock, it the late of the group since January 9

Was inevitable that comments made by Mr Martin Bangemann, West German Economics Minister, suggesting that this weekend's meeting of the group of five would concentrate on an across the board reduction in interest rates, saw rates ease towards the close.

Three-month interbank money opened at 13-13; per cent down from 13-13; per cent on Tuesday. Three-month eligible bank bills all at 12-1 per cent.

Short term rates tended to firm a little towever in response The forecast was revised once again, before taking into account the early help, to a shortage of around £500m and the Bank gave additional assistance in the afternoon of £291m. This comprised outright purchases of £17m of local authority bills in band 1 at 12½ per cent and in band 2 £3m, making a total of £462m. In Frankfurt call money was unchanged at 4.55-4.60 per cent in quiet trading. DM 11.1bn of local authority bills and £12m fine trading. DM 11.1bn for cent. In hand 3 it bought if was more than offset by a maturing facility of DM 11.7bn FT LONDON INTERBANK FIXING

gn. 15	Ov'r-nig't	One Month				Lombard In'v'ntion
	4,55 4,60	4,65 4,80 8.2 9 L	4.56 4.65 8;2-9 ₁	4.60 4.75 9 9 1a	4.60 4.75 9.91 ₈	5.5 84
	A Lie)	416 412 514 512	=	4-2 4 5-1-5-75 2.09575	Ξ	· Ξ
· · · · · · · · · · · · · · · · · · ·	7,03123	154-103	ř. –	1434-1516		

Treasury Bills (sell): one-month 12½ per cent: three-months 12½ per cent. Benk Bills (sell): one-month 12½ per cent: three-months 12½ per cent. Treasury Bills: Average tender rate at discount 12,1923 per cent. ECGD Fued finance Scheme IV reference rate December 4 to January 7 (inclusive): 11 838 per cent. Local authority and Finance Houses saven days' notice, others saven days' fixed. Finance Houses Base Rate 12 per cent from January 1 1966. Sant Deposits Rates for sums at seven days' notice 6½-6½ per cent. Certificates of Tax Deposits (Series 5). Deposits £100,000 and over held under one month 12 per cent; one-three months 12½ per cent; three-six months 12½ per cent; sin-sine months 12½ per cent; inne-12 months 12½ per cent; luder £100,000 11½ per cent from January 14, Deposits beld under Series 5 11½ per cent. Deposits withdrawn for cash 7½ per cent. 34

Financial Times Thursday January 16 1986

Financial Times Thursday January 16 1986	PROPERTY—Continued INVESTMENT TRUST:	35 S-Cost. FINANCE, LAND—Cost. MINES—Continued
Mign Low Stock Price For Div Yad 1985/86 170 110 Metal Cloures 140 160 180 1	1985/86 Stack Price - Net Civ V'id 1985/86 Nigh Lens Stack Price 200 190 Microsope Prop 10p 265 -2 9.8 2.6 57 9.2 Microsope Prop 10p 265 -2 9.8 2.6 57 9.2 Microsope Prop 10p 265 -2 9.8 2.6 57 9.2 Microsope Prop 10p 265 -2 9.8 2.6 57 9.2 Microsope Prop 10p 265 -2 9.8 2.6 57 9.2 Microsope Prop 10p 265 -2 9.8 2.6 57 9.2 Microsope Prop 10p 265 -2 9.8 2.6 57 9.2 Microsope Prop 10p 265 Microsope Prop 10p 265 Microsope Price Micros	+ or Bit Yibi 1985/84 Stack Price - Met C'er Er's P/E High Low - Met Price
81 60 Nervin Ger 10p 69 13 07 27 4.0 11 4 1271 65 Mationnide Lersare 65 13.75 25 82 58 373 214 58MM (September 1998) 69 11 92 53 4 52 131 39 01-144 male let 20c 14	C100 663 Int imp Pay 50 01 747 0886 - 7.9 148	190.72 12 27 550 138 Be Ber C. Le 205 - 665 08% - 189 - 555 706 (Pres. Band Str. 1205 - 189 100 189 10
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263 120 Parter Rept 100 232 6.25 9. 18 19.5 156 108 TVS RVIN 100 126 6.0 22 5. 11.8 19.5 126 127 24 128 12	270 248 Manufree Ests. 50 370 4.5 10.7 7 7 7 245 Manufree Ests. 50 370 4.5 10.7 7 7 275 242 First Charlotte Assets 9 96 77 Muscikor (A, 6, 3) 82 5.05 12 88 12 6 6 37 First Stat. Am. 290 85 73 Mew Carendro Sp. 75 12.1 3 23.45 6 37 First Stat. Am. 50 25 14 Here England Prop Sp. 17 18 18 18 18 18 18 18	15.8 1.9.5 0.05 0.08 146 35 TASanders An Prill 35
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13 10 10 10 10 10 10 10	SHIPPING 170 134 Do. Cap. Sp. 154 175 124 Bert & Comm. 10p 368 1-5 14.0 3.5 1.9 17.0 325 2449-lon. & Gart. 50 248 121 89 Fulter (J) 90 132 3.6 5.1 (5.9) 193 160 Lon. & Strathctyde 168 164-938 Cottax-Laron St. 1212-j-14 98 65 London Inst 48 50 1530 Gran Salot 1 55 122-j-13 36 30 122 503 35 Do Warrants 39	1. 1. 1. 1. 1. 1. 1. 1.
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72 6: A.R.TV Pret (1	41 33	TiA.0 43 142 Far West Rand Far West Ra
2 23 (Lampar) 129	176 120 Cresces Jacon Sch 139 0.8 13 0.8 41 25 Do. Cm. 94 50	06 30 33 147 869 366 Most Gold R0.25 575 12000 d 18 2
72 10	10 10 10 10 10 10 10 10	12.2 21.4 49 11.3 46 146 146 Weepen Ares R1

RECENT ISSUES

Account Dealing Dates Option Dealings tions Dealings Day Dec 23 Jan 9 Jan 10 Jan 20 Jan 13 Jan 23 Jan 24 Feb 3 Jan 27 Feb 6 Feb 7 Feb 17

A report that the German Economic Minister had said that the US Treasury Secretary wants G5 to agree a co-ordinated interest rate cut sent a burst of optimism through London markets shortly after the official 3.30 pm close yesterday. Share and bond prices surged higher and the FT Ordinary share index sharply extended a 3 pm gain of around 6 points to close a net 15.3 up at 1109.6. The FT-SE 100 share index rose 20.4 to 1390.5. Interest rates had earlier continued to dictate the trend as

Burst of interest rate optimism brings strong close

Allianz jumped 28 points more to £758; the shares have advanced from around the £575 level already this year on strong buying in a market short of stock fuelled by rumours of an imminent fund-raising exercise in order to help finance a major acquisition.

Midland, 8 better at 428p, led the major clearers higher. NatWest put on 6 at 682p, while Lloyds railied 6 at 468p and Barelays edged up 4 at 447p.

Leading Brewerles attracted steady support and generally recovered Tuesday's losses.
Further consideration of the preliminary results litted Guinness

Allers of the control of the control

† Correction.									
HIGHS AND LOWS SE. ACTIVITY									
	198	5/86	Since Co	INDICES	Jan. 14	Jan. 13			
	High	Low	High	Low	Daily Gift Edged		<u> </u>		
Bovt Secs.	84.57 (18/10/25)	78.08 (28/1/85)	187,4	49,18 (3/1/75)	Bargains Equities		139.6		
ixed int	90,98	82.17	150.4 (28/11/47)	50.53	Bargains, Value 5 dayAverage	105.1	146.4 †75.9		
rdinary	1149.6 (5/1/86)	911.0 (6/12/85)	1149.6 (8/1/85)	49.4 28.6(40)	Gilt Edged Bargains Equities		141,2		
iold Mines	536,9 (15/4/85)	217.6	734.7 (15/2/65)	43.5	Barcains	150.3 1005.3	184.4 1004.4		

better at 204p and LASMO edged up 3 to 193p. Takeover hopes boosted Burnish 5 more to 305p. Secondary issues showed Jackson Exploration 5 to the good at 20p while Irish exploration stocks remained active and were featured by renewed strong buying of Oliver Resources which put on 6 to 31p.

Among Overseas Traders, Polly Peck rallied a few pence to 168p following the chairman's statement at the annual meeting. Occasional support was also noted for Inchease, 6 up at 320p.

Dealines in Anglo-Indonesian and Plantation and General were suspended at 166p and 257p respectively pending the outcome of merger negotiations.

Golds firm

Bultion's latest strong performance—it rose 88 more to 3346.25, its best closing level similar amount higher at 185p. Revived US demand prompted a gain of 8 to 336p in Reuters.

Johnson Matthey, 150p, and Low and Bonar, 345p, improved 10 aplece.

Good features emerged in the

Good features emerged in the Leisure sector, Horizon rose 6 to 107p and International Leisure gained 8 at 108p as investors paid heed to reports of buoyant holiday bookings. Leisuretime International reflected revived speculative support with a rise of 5 at 65p.
Motors again trended better
where changed Jaguar attracted
revived support following the
1985 sales figures and closed 7

better at 343p. Among Components, Lucas railied 8 to 488p, but technical influences precipitated a fall of 5 in Dowty to 195p; the latter's interim results are 120p pending were suspended at the shares have risen 6 this week amid "call" option activity. Properties, under pressure recently on dearer money fears, staged a useful rally. Land Securities improved 6 to 288p, while MEPC closed 5 better at

the day's best of 285p following the annual meeting. Haslemere Estates revived strongly and gained 14 at 504p and Bammer-son A rose 10 to 440p. Property Holding and Investment hardened 2 to 113p following acquisition news. A broker's cir-cular boosted Markheath Securi-

anded 24 to 1341p in reply to the good annual results.
Revived speculative support prompted a number of noteworthy gains among Textiles.
Parkland A were to the fore with an advance of 19 to 112p, while David Dixon, additionally handled by Desta comment reserved. buoyed by Press comment, rose
18 for a two-day gain of 30 to
258p. Illingworth Morris
hardened the turn to 89p following a "buy" recommendation
from brokers de Zoete and

Tobaccos also made progress. Imps opened higher and touched 251p before settling 8 up on bal-Trusthouse Force touched 150p immediately following the annual results, but drifted off the close unchanged at 152p.
Grand Metropolitan improved steadily to close 11 higher at the day's best of 376p. Ryan Hetels firmed 2 to 34p in reply to good 333p.

Imps opened higher and touched 251p before settling 8 up on balance at 250p awaiting developments in the current bid situation. Bats, still encouraged by the restricturing of its US retail discourse at 250p awaiting developments in the current bid situation. Bats, still encouraged by the restricturing of its US retail discourse at 250p awaiting 8 up on balance at 250p awaiting 6 up on balance at 250p awaiting developments in the current bid situation. Bats, still encouraged by the restricturing of its US retail discourse at 250p awaiting 6 up on balance at 250p await

Traf. House revive

YESTERDAY'S

/ was noted yesterday. Closing De price chy 70 - 488 + 300 - 1 - 258 - 318 - 250 - 260 - 112 - 164 - 369 + 178

30 11,90 3,50 1,90 0,40

2.50 1.40 0.80 0.60 1.60 2.80 5

TOTAL VOLUME IN CONTRACTS: 63,716

14.50 17 A 4 1 16.90 0.10 - 1 5 2 0.50 5.20 0.10 1.50 8 7.80 0.10 1.90

Dsy's change - 31x + 7 + 40 + 18 + 13 + 30 + 19 - 4 + 16 + 18

EUROPEAN OPTIONS EXCHANGE

Leading miscellaneous industrials recorded several noteworthy movements but overall improvements were usually limited to a few pence. Trafalgar House rallied smartly to close

TUESDAY'S

Stock ch
Button
Wastland
BAT Inds. ...
GEC
ICI
Pleasey
Boots
STC
Cons. Gold Fids,
Beecham
Grand Met. ...

Rusiness in South African
Gold expanded substantially
with demand from London and
overseas operators gradually increasing throughout the day.
The Gold Wipes index added 48 more at 311.6. extending the rise over the past four trading sessions to one of 31.4. Financials were equally buoyant. The UK issues provided firm features in Consolidated Gold Fields, up 7 more to the consolidated Gold Fields. 4899 still reflecting revived talk of a consortium bid, while Ric Tino-Zine raced up 23 to 5570 Fine-Zine raced up 23 to 5570. Humpton Areas added 5 at 1300 following the pronosed farm-out deal with Thomson North Sea. A firm Australian mining sector was highlighted by outstanding nerformances from the gold stocks. Gold Mines of Kalgoorile jumped 30 to 4550. Central Norseman put on 25 to 3650 and Pancontinental added 7 at 920. Sons of Gwalla rose 8 to 1660 and North Kalgaril 5 to 1660 and North Kalgaril 5 to

fears, 1460 and North Kalgarli 5 to Land 450.

Imperial Group featured pro-ceedings in Traded Ootions. ceedings in Traded Ootions, attracting 2,818 calls, 1,801 of which were transacted in the February 240's, reflecting support for the underlying share price awaiting further developments in the current takeover situations. Interest revived in Vaal Reefs, which recorded 820 calls 248 in the May 80's and cular boosted Markheath Securities 3 to 55p. County Properties added 2½ to 134½p in reply to the good annual results.

Revived speculative support prompted a number of note-prompted a number of note-day. Total contracts struck amounted to 12,518.

> **NEW HIGHS AND LOWS FOR 1985/86**



FIXED INTEREST STOCKS

Issue S price S	ald up	1985/6	Stock	Agring orice &	+•
97,203,29 198,797 F 199,745,29 £12 F	P. 17/1 P. 51/1 B. 11/4 P. — P. —	981 ₂ 95 981 ₂ 95 247 ₈ 24 1112 ₄ p 87 9942 98 9942 99 4031 36	4 Allied Lon. Props. 1823, 1st Mort. Deb. 1825 Brit. Assets 68 Uns. Ln. 1936 Ests. & Agency 113; ist Mort. Db. 2825 First Scot. Am. 1112, Deb. 2016 pintl. Inv. Tst. Jersey 135 Cum. Red. Pf. Mationwide Sidg. Soc. 1143; 15:12/36 Do. 125 12/16/7 Rosehaugh Greycoat 1151st Mt Db. 1814 41T. T. Finance 1143; Otd. Deb. 2818	9612 24 90p 98-1	+12

RIGHTS OFFERS

itsua price		Latest Renung.	198	5/6	Stock	Closing	4
Pitos	₹8	dau	High	Low		중호	-
110 100 8 6.50 240 16 120 260 475 366 165 15 200 70	F.P. NO NO NO NO NO F.P. NO F.P. NO NO NO NO NO NO NO NO NO NO NO NO NO	26/2 	121 23pm 130pm 23pm 40pm 23pm 123 264 550 50pm 172 312pm 25pm 14pm 59pm	19pm 100pm 17pm 1pm 1pm 100 288 510 35pm 161 3pm 24pm 10pm	Sarham Group 21sp Gheinring Grw. Pkl. Ord. Sp Gheinring Grw. Pkl. Ord. Sp East Ram Prop Goal Petroleum Sp Goal Petroleum	190pm 21pm 25pm 2pm 100 292 535 40pm	+

Renunciation date usually last day for dealing free of stemp duty. 6 Figures based on prospectus estimates. g Assumed dividend and yield. F Forecast dividend cover on earnings updated by latest interim statement. H Dividend and Yield based on prospectus or other official estimates for 1986. Indicated dividends: cover relates to previous dividend: p/s ratio based on latest annual sarnings. I Professat otherwise indicated. 1 lasued by tender. § Officered holding of ordinary shares as a "rights." "I saused by way of capitalization. 5 Placing price. §§ Reintroduced. 17 Isaued in connection with reorganisation merger or atteoryer. El Allotment price. 17 Dealt in under Rule 535 (4) (s). * Units comprising 12 preference shares and one warrant, at £12 per unit. 11 Units comprising two ordinary, one preference and one warrant.

TRADITIONAL OPTIONS Was taken out in CAP Group,
First Last Last For while a double option was trans-Deal- Declara- Settleings ings tion ment-Jan 6 Jan 17 Apr 10 Apr 21 Jan 20 Jan 31 Apr 24 May 6 RISES AND FALLS Feb 3 Feb 14 May 8 May 19 RISES AND FALLS

acted in Enterprise Oil.

For rate indications see end of YESTERDAY
Unit Trust Service Unit Trust Service
Stocks favoured for the call included Sears, Combined Technologies, Ashley Industrial Trust, Burndene Investments, Lonrbo, Industrials Foreign Bonds 27 June 100 Warrants, Egiluton, Amstrad Cibs 30 June 100 Jun land, Turner and Newall, Energy Capital, Fergabrook, Dixons, Wordslex, Midland Ronk

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY & SUB-9					W	ed Ja	n 15 1	986		Toes Jan 14	Mos Jan 13	Fri.	Spiror)
ı	igures in parenti stocks p	ieses sto Per sectio		1	des (a.	Day's Change	Est. Earnin Yield's (Max	gs Div.	P/E Ratio	nd adj. 1986 to date	Index No.	Index No.	ladex No.	tratex No.
1 2		05 (214))	56		+0.4	18.1					1		
3	Contracting, Co	astructio	n (28) _	92		+0.4	10.4							
4		<u> </u>		154	413		9.4	6 4.91	13.77	8.04	1544.48			
5	Electronics (39 Mechanical End		(63)			-0.1 +0.6	10.5					1459.00		1925.31
ĕ	Metals and Met	al Formi	ng (7)	2		-22	8.74			6.00				
9	Motors (18)			21		-2.0	11.3	4.35	10.71	0.00	266.58	210.45		
į	Other Industrial					H0.3 H1.4	7.6			0.07			1015.82	E414
	Brewers and Di	stillers (2	23)			17	9.7			9.37 9.05		748.87 773.84		
	Food Manufactu	ring (22))	SS	5.28 4	L	10.7	4.55	11.98	0.96	549.51	556.48	561.38	
	Food Retailing (Health and Hou	urbold P-	rocherte /C) 168 118		1.0H 3.0H	6.97			2.92		1718.46	1723.22	1434.88
	Leisure (25)			747		-8.1	7.41		15.17 17.82	8.02 8.50	1175.61 747.95		1197.69 762.11	
	i Publishing & Pr	inties (1:	3)	1183	101	0.2	8.77	4.95	1421	2.36	1835.63		1051.67	
	Packaging and i Stores (43)	-per CL	2/	36t		29	9.3		12-65	0.00		364.87	363.27	298.31
	Textiles (16)			3 79		11	7.30 11.65		18.52 9.70	0.01	718.19 375.58	724.12 379.21	733.10 383.39	
	Tobaccas (3)			1 024	4 25	2.0	24.26	5.02	8.01	0.00	907.08	900.37	875.14	
	OTHER GROUP Chemicals (19)	~ (84)	······································	765 734		0.8 8.7 ·	9.73 13.66			0.82	618.53	786.AZ	709.03	654,72
	Chemicals (19). Office Equipmen	± (4)		209	77	4.6	7.51		9.68 15.71	8.00 8.00	729.24 210.93		735.25 215.52	761.23 163.83
	: SAKDDING and Tri	intoort (171	1774	186 4	14	7.67	4.35	16.15	0.00	1316.35		215.52 1339.73	1083.61
	Telephone Netw Miscellaneous (4	oris (2) . (7)	***************************************	- 861	.92 +	94	9.54		14.34	0.86	#58.78	870.34	876.62	839.11
	INDUSTRIAL C	20 UP (4	M1)	6.00	62 I	15	7.72		15.83	0.00	872.82	883.43	881_03	778.16,
١	(ii) & Gas (19)					25	9.37 18.19		6.53	0.20	691.89	781,82	703.70	625,49
١	500 SHARE IN	EX (500	D)	735	.96 +	12	10.44		11.98	0.00	1107.18 727.53	1110.16 736.23		
١	FINANCIAL CR	ررز جلاق	I91	513	.59 +	12		4.71		0.17	507.50	736.23 513.78	739.33 516.31	439.82
ŀ	Banks (7) Insurance (Life)	/m		525		12	17.5\$	5.97	8.43	0.00	518.60	524.37	526.74	433.45
		omenica i com	4	[47]	44 4	ᄩᆝ	_	4.75	=	8.00	772.32	784.89	786.01	590.68
	Insurance (Broke	ers) (8)		1170	30 +	10	7.23		19.47	0.00 8.95	467.63 1159.01	432.38 1179.90	416.89 1185.81	319.13
	Merchant Sanks	യ		280	.09 H	94		3.72	_	8.00	278.88	283.01	282.64	243.75
l	Property (51) Other Financial (26)		289		12 04	6.09 8.11	3.80 4.57	21.95 14.76	8.00 0.04	641.26	647.10	654.23	632.68
	Investment Trust	s (103)		634	_	0.2	_	3.38		8.27	288.45 633.36	291.88 640.21	290.19 641.41	278.97 586.54
	Mining Finance (3)		<i> 2</i> 62.	83 +:	32	12.73	5.91	914	0.00	254.60	246.33	248.25	277.86
	Overseas Tradect	(T4)	<u> </u>	<u> </u>		9.9	13.72	6.57	8.61	0.00	604.14	610.93	612.43	647.A2
	WEST THE	PEN (13)	7)	672	-	브		4.40		8.35	661.42	672.02	674.87	694.53
				Inde No		zy's	Day's High	Day's	Jan 14	Jan 13	10 I	Jan	. pag	Year
	FT-SE 100 SHAL	CE INDE	X	199).5 l+2l	14 l	1390.5	1371.4	1370.1	1384.6	1394.5	1379.6	1404.2	1254.1
	FI	KED	INTE	REST	•			AVER. REDEI	NGE ÉRE MPT) ON	ISS YIELDS	;	Ved Inc IS	Toes Jan 14	Year ago (approx.)
_	PRICE	Wed	Day's	Toes	ᆏᇸ	T	-	Britis	lı Gayera	ment .		-+		
	MDICES	Jas	change	Jan	today		献	1 Loss 2 Coupon				S.67	1832	11.62
		15	1 %	14		to (date	2 COUPON	· 2	70073		0.54	18.61	10.23 70 %
ï	British Communicati		1			T		4 Medius		years		1.78	11.89	11.64
	5 years	117.10	1	116.75	-	6	36	5 Cospos	s 15 25	years		6.98	11.06 18.63	11.21
	5-15 years	127.29	+0.58	127.00	6.44	1 -	144	7 High	5			0.53 1.91	12.04	10.64 11.79
	Over 15 years	133.70	+0.62	132.29	_		23	8 Comon	s 15	7627S) 1	1.16	11.25	11.37
	rredeemables	146.53	+6.38	145.98	_		.00 ·	9 Inredee	25 mahles	years			10.77 10.32	38.68 20.17
	Ail stocks	125.48	+0.48	126.08	9.20		37	Index			~1		*****	10,17
	nder-Linked	364		<u> </u>			_ []	1 inflatio	rate 5%			5.00	5.18	90.00
	years Over 5 years	106.05 107.04	1	105.42	_			2 inflat'n 3 inflat'n	rate 5%	Over 5)TS	4.06	423	00.00
	VII stocks	105.63		106.51	_		J 1	A inflato	rate 10%	Over 5		3.97 3.82	4.00 3.85	98.60 (
			+0.62	105.18	_	La	تاك	5 Debs &		5 years		_	12.66	12.10
		101.82	+0.27	108.53		· a	33 J	6 Loses	1	5 years		L76	12.61	11.97
	icheniures & Leans		7000											
	reference	81.31		81.33		_		7 8 Prefere		25 years			12.03	11.97

LONDON TRADED OPTIONS July Jan. Apr. 48 50 75 6 26 40 1 11 20 Day's change -22 + 5 - 4 - 18 - 7 2 + 22 - 5 | 650 | 25 | 47 | 67 | 1¹/₂ | 600 | 2 | 15 | 30 | 35 | 650 | 0¹/₂ | 7 | 15 | 82 140 | 34 160 | 18 180 | 6 200 | 2 56 | 45 16 | 26 2 | 16 11₂ | 7 34 84 14 10 20 35 58 2 16 14 - 34 58 1 40 3 23 25 10 55 145 95 45 6 11₉ 168 103 57 27 16 162 157 103 107 57 67 27 35 15 23 25 30 13 19 5 7 60 40 23 | 65 | 80 | 27 | 45 | 10 | 25 | 160 | 170 | 185 | 350 | 70 | 95 | 16 | 185 | 170 | 200 | 245 | 170 | 200 | 45 | 70 | 195 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 50 35 25 Traf gar Hee 350 | 3 | 21 | 30 | 10 | 121e | 23 (*525) | 350 | 1 | 12 | 18 | 37 | 37 | 37 | 37 | 39 | 01e | 3 | 9 | 67 | 67 | 67 | 146 | FL594 | FL594 | FL594 | FL594 | FL595 | FL57.10 | FL57.40 | Secondary | Seco 390 420 460 500 160 180 200 220 20 0 51g FT-8E | 1,500 | 1,525 | 1,525 | 1,575 | 1,575 | 1,425 | 1,450 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 | 1,475 27 18 12 8 25 25 15 11 17 35 52 56 | 56 46 | 47 261₂ | 31 12 | 18 69 50 57 21 14 14 21₉ 21₉

January 15 Total contracts 12,518 Calls 9,122
Puts 3,596 *Underlying security price

هكذامن الأعمل

WORLD STOCK MARKETS

AUSTRIA			GERMANY			NORWAY			AUSTRALIA (c	ontin	ied)	JAPAN (contin	rued)		,
Jan. 15	Price	+ er	Jan 15	Price	+ or	1	Price	+ or	Jan. 15	Price Aust.S		Jan. 14	Prise Yen	+0	
Credit net'lt pp	Sent -			Dm.		Bergens Bank			Gen. Prop. Trust	i		MH1	359	+1	
Goesser	3,800	+ 100	AEG Aligna Vers	308 2.665	- 4 +65	Borregaard Christiania Bank	462.5	-2,5 -1	Hardie James Hartogen Energy	33	+ 0.02	MHi Mitsul Bank Mitsul	SIZ	-10	1
Jungbunglauer		•••	Baver	990	+1.5	DenNorske Cred	177.5	-2 +1	I Heraid WyTimes	5.15	- 0.04	Mitsul Estate Mitsul Toatsu	1,030	+10	1
Perimaoser Steyr Daimler,		- 60 - <u>7</u>	Bayer.Hypo Sayer-Verein	627	-27 +37	[Kosmos	. 188	+9 -2.5	ICI Aust Jimberiana F.P.,	0.22		Mitsukoshi	613	-5 -5	
Vertscher Mag	168 10,020	4 B + 20	BHF-Bank	570	+35	Kvaerner Norsk Data Norsk Hydro	430		Kia Ora Gold Kidston Gold	5.7	- 0.81 + 0.1	Nikko Sec	685	-5 +20	ı
			Brown Boveri	647	+8	Storebrand	275	+ 2	HIM	2 95		Nippon Dense Nippon Elect	1.250	T 10	
BELGIUM/LUX	EMBO	URG	Contil Gumml	364	+9	.}			Mayne Nickless., Wyer Emporlum.	- 3,30		Nippon Express	1,510	4 + 10	
Jan. 15	Price '	+ 01	Daimier-Benz Degussa	1.445	+ 15.3 + 60	SPAIN			Nat. Aust. Bank., News	4,75	~ 0,05	Nippon Kogaku	985	~ 5	1
8,B.L.,		-20	Į		+ 20		Price	+ or	Nicholas Kiwi NorandaP'c:Prod	2.85	+ D.05	Nippon Oil Nippon Selko		+ 12 -5	
Bang, Int.A.Lux	9,600 8,850	••••••	D'sche Babcock. Deutsche Bank.	237 900	+ 14 + 12.5	.j	Pta %		North Bkn Hill Oakbridge	2.48	- 0.02 - 0.02	Nippon Shimpan. Nippon Steel	756	-2 -1	
Beksert	B.250		Dresdner Bank	482	+ 16	Beo Bilbao Bco Central	472 391	-5 +11	Pancontinental	1.9	+ 0_12	Nippen Sulsan	344	-1	1
Cookerili Deihalze	182	-10 -2 -40	i Nënkai	405	-1 -25	Bco Exterior	23D 189	+5	Poseidon	2.85	÷ 0.01	Nippon Yusen Nissan Motor	579	-4 -8 !	ı
EBES Electrobel	3,610	- 20	Hochtief Hocchst Hocsch Werke		- 1 + 0,1	Bco Popular	555 455	+ 25	Reckitt & Colman Repco	3.75	*****	Nomura	1,020	-2 -20	ı
Fabrique Nat GB Inno BM	2.010	- 10 -	Holzmann (Pi	585	+ 10	Bco Vizcaya Dragados	681 168	+11	Santos	6.34	-0.02	Onoda Cement	319	-9 ·	1
GBL (Brux) Generale Bank Gevaert	2,300	+20.	Hussel	466	+14	Hidrola Iberduero	86	9.0 + 8.0 -	Smith (Howard) Thos. Natwide	2.63		Orient Finance Orient Leasing	2,600	+ 50	I
Gevaert.	4,965	- 240 + 25	Kauthot,	407	+ 28.6 + 12.5	Deteriore	182	- 2,5	Yamgas	3.0	·	Ricoh	1.010	+ 30 + 36	ı
Hoboken Intercom Kredietbank	2,905	- 90 - 5	Kioeckner	125.5	+ 13.5	1		<u> </u>	Western Mining . Westpac Bank	3.56 4.57	0,04 0.02	Sanwa Bank	1,100 1,350	–20	ı
cau uidas	. 9,950				+7	SWEDEN			Woodside Petrol Woolworths	3,4		Sanyo Elect Sapporo	668	+8	1
Petrofma Royale Belge	17 2/10	100	Lufthansa	260 307 2	+17		Price	+ or	Wormald Intl	3.6	- 0.05	Sekisul Prefab Seven-Eleven	855 9,600	: ::	ı
		+5 +150	i Mêrcedes, Nid	7 304	4 30	Jan. 15	Kronor		HONG KONG			Sharp Shimizu Constn	. 350	+5 -5	Į
Solina	6,220 1,052	-20	Muench Rueck	590	+ 200	l Alfa-Laval B	268	-1	Jan. 15 '	Price		Shionogi Shiseido		-1	ł
Tractionel UCB Wagons Lits	4,860 5,300		Porsche	1,371	+21	ASEA (Free)	505	+5	Bank East Asia	H.K.B		Showa Denko Sony,	216 3.900	+1	١
Wagons Lits	4,130	+70	Preussag Rhein West Elect	280 225,50	+1.5 +13	Atlas Copon Cardo (Free)	280	-2	Cheuse Kong	21 1		S'tomo Bank S'tomo Chem S'tomo Corp	1 630	20 4	١
DENMARK			Rosenthal Schering Stemens	659	+5	Cellulosa Electrolux B	206	+3 -3	China Light Evergo Hang Seng Bank	0.67	-0.25	\$'tomo Elect'	860	-10 -3	l
Jan. 15	Price	+ or	Thyseen	190	+54 +0.9 -5	Esseite	490	5 5 10	Henderson Land HK China Gas	2.07	-0.06 -0.2	S'tomo Metal Taise Corp	139 312	- <u>1</u>	١
	Knr 4	<u></u>	Varta	307 S	+7 +2	Mo och Domsjo Pharmacia Saab Scania Free	176	-1	Hk Electric HK Kowloon Wh.	8.65	-0.1	Taise Corp. Taisho Marine Taiyo Kobe Bank Takeda TDK	510 701	-1 -9	ļ
Andelsbanken Baltica Skand Cop Handelsb'nk	. 383 · 550	+10	V.E.W	427 558 6	÷5.1	Sandvik Skandia	720	-10 -6	I UK I end	67	+ 0.05	Tokeda	985 4,100	-2 +50	l
Cop Handelsb'nk D. Sukkerfab Danske Bank	300 : 450	+6 +10				Skan Enskilda	81	_i	HK Shanghai BK. HK Telephone Hutchison Wpa	27.8	-0.1	Terjin Tca. Nenryo 1 Tokal Bank	477	-20 -20	۱
		+7 :-7	ITALY	-		Sonneson Stora Kopparbrg	146		Jotol, City	13.4	+0.1	Tokio Marine Tokyo Elect Pwr 2	870	-25 +80	I
East Aslatic Forenede Brygg.	950	-145	Jan, 15	Price	<u> </u>	Sven Handleson . Swedish Match .	256	-4 +5	New World Dev Orient O'seas	1.99	-0,1	Tokyo Gas	268	+11	ı
GNT Hid	620 ;	+6	Banco Com'le Bestogi IRBS	25,495	-5 -14	Volvo B (Free)	358	_1 	Shell Elect	12.7	-0.1	Tokyu Corp Toppan Print	985 -	+5	ı
1.5.5.B,	575 785	+10	Centrale	4.039	+129	j			Swire Pac A	6,2	0,05	Toray	511 360	: +8	ł
Novo Inds Privatbanken	1,190 293	+ 12	Credito Italiano.	3,370 5 200	+10	SWITZERLAND			World Int. Hidge.	2,65	-0,07	Toyota Motor1	L.270 i		ı
Provinsbanken Smidth (F.L.) B	433 303	+5 +14	Generali Assicur. Italicementi La Rinascente	81,890	+490	Jan. 15	Price	+0	JAPAN		1	Victor 1	1.670	-4 +50	١
Sophus Berend Superfos,	955 310 '	+6	La Rinascente	984 2 985	+6	Adla Intl	5,075	+375	Jan. 14	Price	+ or	Yamaha	668 700	+3 +7 -40	ł
FRANCE			Montedison Olivetti Pirelli Co	9,400 6,350	+10	Alusvisse Bank Leu	4,700	+175		Yen	-= I	Yamazaki, Yasuda Fire	777	-8 +3	l
;	:	- 1	Pirelii Spa	3.749	+ 149	Brown Boveri Gloa Gelgy do. (Part Certs) ,	4,250	+ 125	Altnomoto 1 All Nippen Air	1,130 754	-30 -30		310	+3	ı
Jan. 15	Price Frs.	+_마	Snia BPD	5,820	+65	I PLEGIE SAISSE	3.100	+15	Alps Electric I Asahi Chem	1,690 782	+30	SINGAPORE			ł
Emprunt 44% 1975 Emprunt 7% 1975		+45				Elektrowatt Fischer (Geo.) Hoff-Roche PtCts	1,200	+70	Asahi Glass Bank Tokyo	890 . 726 .	-6 -14	Jan, 15	Price §	+-	ı
ACCOT	318	+ 100 - 2.5	NETHERLANDS	•		Hoff-Roche 1/12	L3 450	+4,600	Bridgestone	520	-5 +33	Boustand Hidgs Cold Storage	1.11		l
Air Liquide Bio Bongrain	635 527	+27	Jan. 15 i		+ or	Jacobs Suchard Jelmoil Landis & Gyr	3,650	*** ** **	Brother Inds Canon	1,740	+ 10 L	DBS	4 92	-0,02	ı
Bongrain Bouygues	1,730 1,000	+ 45	LOF Heldin	FI8 307	+6	Nestle Oer-Buehrle	2,355 8,980	+ 25 + 105	Chugai Pharm Dalei	925 , 805	-25	Genting Haw Par. Bros	4,48 1,60	0,02 0,08	ı
Souyques	2,760 1.393	+30 +11	ACF Holding	115.5	+1.6	Pizelli	407	+10	Dai licht Kan. Bk. 1 Dai Nippon Ink	1,550 309	-40	incheape Bhd	2,40 1,62	-0.05	r
Sarrefour	3 095	+47	Ahold	84,5 157,1	419	Sandoz (Br)	1,300	-100 +20	Daiwa House	881 1,290	+10	Keppel Shipyard Malay Banking Malay Utd. Indi	0.91 4,52	+0,01 0,05	l
Club Mediter'n Die Sancaire Colimeg	858 351	-14 +3.5	AENAMEVAMRO	93,B	+0.7	Schingler (PtCts)	1.900	+ 50	Dalwa Sec 1	743	TO I	MURI Purpose	0.53	- 0.81 - 0.82	l
Damart	1,950	+9 [Bredero Gert	215 15.9	+ 22	Surveillance A	6,700 1,830		Fanuc	200	+ 100	OCBC	2.55	+0,01	ŀ
Darty	1.165	+ 12 I	Bos Kalis Westm. Suchrmann - Tet.	139	+2.8	Swiss Bank	586·		Fuji Film	,950 :		Public Bank Sime Darby Singapore Press.	1.10 1.46	-0.01	l
Isux (Cie Gen)	219	+ 2,2	Calland Higa Dordtsche Pet'm	32.6 170.9	+0,7	Swiss Volksbk Union Bank	2,630 5 450	+155	Fujisawa 1	.000 (+1 [Straits Trdg ' :	2.17	—) BŠ	İ٠
stilor	720	+6	Elsevier NDU'	184,5 81,8		Winterthur Zurich ins	5,350 6,350	+150	F'Irukawa Elect, Green Cross 2	,060	50 □	Tat Lee Bk	2.17 3,34	- 0,83 + 0.88	ļ
Metal	700	**	Gist Brocades	287 228,5	±6 }				Heiwa Real Est Hitachi Credit 1,	840 732	-6 -3	SOUTH AFRICA			L
Oreal 2 egrand 2	,929	+19 [Hoogovens		+1	AUSTRALIA		E I	MORGA 1.	.180	-10	; F	Price i	+ <u>o</u> r	ľ
laisons Phenix latra S.A 1	171 883	+1 [KLM	58.4	+1.3		Price Just 5,	_ 1	indi. Bk. Japan 1 ishikawajima Hr.,	154	—20	Abercom		-0.85	ı
Aichelin B 1 Aidi (Cle) 4	.690	[1	Naarden		-1 "		4,7	 .	lauzu Motors Itoh (C)	432	_a i	AE&Ci 9	9,25 ′	-0,05	ı
Most Hennessy ., 2	299	+24 li	Ned Mid Bank	242.5 215.5	+1.5	Ampol Pet	2.40		ito, Yokado 2,	,950 .350	-40 l	Alied Tech	57.D ^	-3	ľ
ford Est	174.3 -	-0,3 10	Oce Grinten	445	+ 1	Aust. Cons. Ind! Aust. Guarantee,	3.0	+0.82	lusco	070 (471 :	<u> </u>	Anglo Am. Corp . 4 Anglo Am. Gold 3	229	+1.5	ľ
errier	507 -	-2].	Dimmeren (Van) Pakhoed	36,6 87.1		Ar at Nat. Ins	3.0		Kao Sosp	996	-4	Barclays Bank Sariow Rand	15	+ 0.25 + 0,35	ŀ
etroles Fra eugeot S.A		[Philips	61.9 ·	1 C.O I	Bell Gr(u)	6 8 .1		Kawasaki Steel Kirin	751 :	[2.30	+2.5	1
rintemps (Au.) adiotech	446.1 - 481 -	-11.9 F	icd ameo	234 74.5	0.7	Bond Corp Hidgs	2.1	+0.1	Cobe Steel	177 :	_8 {c	Currie Finance De Beer1	18.05	+ 0,05 + 0,25	ľ
odoute 2, oussel-Uclaf 1	060 - 580 -	-40 [R	torento	46,6 -				+0.0514	CONIST IFORD (672 .	- <u>i</u> a F	Priefantein 5 'S Geduld , 5	is . i9.5	+2 +5,5	
cfimeg kis Rossigno I, I,	3 9 0	j u	indever	399 4	3.5 2	rambles Inds 4 Fridge Oil	.22	I K	Cumagal	73R .	12 1	iold Fields S.A· 4 highweld Steel 5	0.75	~0.75 ~0.2	ī
clemec Elect 2,	850 ' +	-30 IV	NU,	510 ±		KA april 1 major 1 major 2	.66 -	- O.DI	yocera4,	329	T \$ " U N	ledbank	8_75	-0.65	
aleo		5.1 W	rest Utr Bank			SR	.72	+0.92	Aazda Motors	510 395	74-1	rotes Hidgs 5	2.7		ľ
					10	oles (C.L.)	.6	0.00	6e) ja Seika	548 · 240	-6 B	tret Plat	7.85	+0.6	
			de sue se chop		the	Consolidated Pat 0	.2 .	-0.01	f bishi Bank 1,4	460 · 515 ·	- 4n 9	afren	9.7	+0.2	
			ist traded prices. Ex scrip issue, 2			ostain Aust 2 Juniop Olympic. 2 Iders IXL 3	: 58 -	0.12	l'bishi Corp (l'bishi Elect :	608 . 546 .	4 -	A Brews	8,70 5,50 8,25	-0.85	١,
Ex all, Price						nerg Res 1	.62	0.81	bishi Estate 1,	130 .		ONBORT URIESTS	8,25 6,5		ı
					-						•			. 1	1

OVER-THE-COUNTER	Nasdaq national market, closing prices
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Stack Sales High Law Last Ching	Stock Sales High Low Last Dieg	Standa Sades Haga Love Lust Chang	Sturis Sales High Low Last Chan
(finds)	(Høds)	(-lnds)	(Hinds) US Ant 60 4 3-16 3 15-16 4 8 + 3-16
Continued from Page 39	Ribilms 311 7 674 678 RichEls 163 2272 2214 2212 + 14	SpecCti .07 166 85 83 61- Spire 44 1614 1534 16 - 18	US 5cm 1 580 32% 32% 32% - %
P Q PNCs 1.32 1397 36% 35% 36	Rival .80 132 161 161 161 163 163 163 163 163 163 163	StarSur 156 10% 10% 10% + 18 Stat64d 20 81 9% 9 9	USDsgn 139 2's 2's 2's
Purur 1.40 157 4414 4519 4414 + 14	RobNug .06 14 1314 1314 1314	Standy 1.08 91 31 300, 31 ± 1, Standy 1.08 91 31 300, 31 ± 1, Standy 1.08 140, 131, 141, ± 1,	US HCs .051313 21:6 213 213 213 4 3 USShelt .12 54 41 4 4 - 1-11
Pacfer 265 11% 11% 11% + % Pacfel 80 25 15 14% 14%	i Rouses .54 397 28 27 279 + J. i	Stanhm 1.20 50 27 27 27 ~ 12	US Sur .4De 263 1914 19 1914 + 14
Parcen 264 16 1574 158 + 18 Pancilla 13 55 9 9 9 + 18	RoyPim 17 83, 85, 84, RoylRe	SlaStBs .64 801 421 ₈ 42 421 ₈ - 1 ₂ StatoG .05a 360 55 ₈ 51 ₄ 51 ₂ + 1 ₄	US Trs 1.20 224 434 429, 43 UStata 24 58 25 241, 2434 + 17
ParkOn 60 682 13 1214 1214 + 14	RusiPel 10 117 ₈ 115 ₈ 117 ₈	Stenger 6 5 43 5	UnTelev 49 25's 24's 24's - 's UVaBs 1.64 23 47's 47's 47's - 's
PathiM 391 6'8 694 694 Paulife 1 18 11'8 11'4 11'8 - 18	RyanFs 395 214 211 211 211 211 2 1 4 S S	Siwinf .72 7 23 23 23	Unvirin 32 24'1 233, 24'1 + 11
Payche 46 1934 1914 1934 + 12	SAYInd 121 99 914 915 - 14	Surel 22 83 ₈ 81 ₈ 83 ₉ + 1 ₄ Stratus 2434 223 ₄ 201 ₂ 223 ₄ + 17 ₈	UFS6k .07e 91 1314 121. 1314 + 38
Purpoid 06 1491 84 8 84 + 12	SCI Sy 439 15% 15% 15% 15% + 1% SEI 119 251, 25% 25% 25% 25% + 1%	Strucis ./6 111 464 45 464 + 114	Uscat 28 127 5% 4% 5
Penulan 220 5 32% 32% 32% 32% - % Penulan 63 17 30 29% 30	SFE .10r 67 73 71 71 72 - 14	Subaru 2.28 123 184 182 183 + 112	VL1 234 553 573 577 + 78
Proper .05 849 85 85 84 - 1	3810C03	SubrB 192 413 884 872 874 14 Summa 454 24 27 16 294 14	VLSI 54 147 14 1412 + 12 VMX 89 512 57 57
Phrmici 367 79a 71a 79a * 'a	Saltins 12 1314 1314 1314	SumHal .10 188 Sta 8/a 9/a + 1a SunCst 542 1 9-16 13a 1 7-16	VSE .17e 5 119 119 115 + 3
PSFS 150 8622 9°2 918 908 + 18 PhilGI 530 17668 2238 22 2274 + 118	Salude 179 1914 1812 1914 + 12 Salvant 3 1074 8012 7812 8016 + 15	SunMod 40 101 10 1014 + 14	ValFSL 69 221 221 221
Phosam 56 4 34 3 = 18 ProSuv 1328 331; 321; 3316 = 78	ן SalCpt 566 5ין + כַּיּל בַּיל לַ	SupSky 1 712 712 712 Suprilex 97 414 4 418	ValNii 1.32 693 4212 4118 4212 + 38 Vallun 40 1 2612 2612 2612
FicCitis 52 15 234 21 214 4 4	SanBar 35 84 61 81 - 1 SanelSy .14 438 63 61 61 64 - 1	SymbT 76 1118 1058 (1	VanOus .40 55 20% 20% 20% - 18
Prombs 104 2173 34 33 34 + 32 Prombs 12 732 104 912 10	SavnFs 88a 86 301 30 301 + 48 SBAPSa .44 268 2118 2112 2124 + 18	Syntrex 129 474 472 454 - 12	Vanzeti 14 5 5 5 + 18 Ventrex 643 418 4 418 + 14
PoFolis 2:2 10 95 10 + 12 PicyMg 335 23 22 2212 + 14	ScanOp 764 12 113 113 + 3	Systems 120 S 1312 1312 1312 + 12 SyAsoc 14 1014 912 1014 + 12 Systin 24 758 738 712 + 12	Vicorp 12e 4581 15'8 15 15'8 - 12 ViedeFr 20e 257 6'4 6'8 6'4
Pores 42 26 25°s + 's	Scanirs 192 16'4 16 15. Scheror 32 283 1514 14'4 15 + 5	Systin 24 75 75 75 75 10 8 8 8 10 10 10 10 10 10 10 10 10 10 10 10 10	Viluality 529 15°, 15 15°4 + °,
Fownies 48 1314 1315 1314 + 14	SchimA .44 349 304 294 30 + 14	Systmi .08 33 24 234 234 - 14	Vodavi 969 9: 9', 9', 9', 1
PwConv 197 13 12'g 13 PrecCsi 12 96 88's 27% 27%	Sci5ft 778 734 714 734 - 14	T T	Voltm! 390 20-; 20-; 20-; ∓ 1; W W
Produce 1988 1815 1216 1715 # 15	SeaGel 356 41s 3's 41s + 1s	TCA Cb .16 430 27'4 27 27'4 14	WO 40 104 76 22 211 22 + 12
Prict.'m 240 574 575 578 - 18	Sengale 11819 81, 77, 81, + 1, 5 SecTag 149 21, 2 21, + 1-11	TacVivs 4 278 278 278 278 Tandem 4506 2118 1948 2078 + 78	With Tel 245 9 8 8 8 1
PriceCo 1400 59 56°2 60°4 ~ 2°4 Prireca 311 13°a 12°a 12°a	SEEO 393 3 25 27 27 Subbel .80 77 19 184 184	ToCom 4 1454 1454 1434 - 14	! WshE 176 1009 231, 23 23 − 1,
ProdOp .16 182 4 4 4 4 4 + 1-1-	Sensor .05 4034 834 838 858 + 18	Talco 545 14 1312 1334 + 14	WMSB .10e 3657 20'; 185, 20'; 13 ₈
Propri 120 24 113 113 113	Sucher .08 3591 1218 1114 1218 + 14	TelPlus 1138 812 818 814 + 18	Webb .40 84 12 11- 11-
Provin 3 221 22 22 PuriSn 40 119 314 31 3134 + 12	Servico 1 61 22% 22 22% - 3 Secret 59 49 44 45 + 3	Telecrol .32 688 2714 2674 27 + 14 Telecrol .755 2174 2156 2134 - 14	WesiFn 24 22 21') 22 WsiFSL 1656 15's 14's 1s
GillS 477 103 104 101 - 18 Quadra 1616 918 918 928 - 18	25ACTTY (0 29 ID-6 ID-6 ID-6 ID-6 ID-6 ID-6 ID-6 ID-6	Telpors 755 21% 21% 21% 1% 1% 1% 1% 1% 1% 1% 1% 1% 1% 1% 1% 1	Williete 43 8" 8" 8" 4" 4" WITIAS 50 19" 19 19" 1
Duratis 42 26 15 1415 1415 - 15	Shumat 184 29 414 41 41 1	Telsons .01 191 23 229, 229, - 1,	WmorC 40 10 200, 201, 201, 1
One51M 315 538 46 5 - 14	Shelbys .16 35 2312 2314 2312 + 14 Sholdis 125 918 9 9	TermDt ! 61 $3\frac{7}{6}$ $3\frac{1}{4}$ $3\frac{7}{6}$ + $\frac{7}{6}$ TherPr 3 $6\frac{1}{6}$ $6\frac{1}{6}$ $6\frac{1}{6}$ + $\frac{1}{6}$	Weters 98 272 3894 3859 3859
Ourante 780 2014 20 2015 Guotin 3005 121 ₈ 12 121 ₄ + 1 ₄	Shorreys .18 1285 25'8 24'4 25'4 + '9 ShonSos 159 12'9 12'8 12'4	Thermod 95 13½ 13½ 13½+ ½ ThrdNs 54 488 27 26½ 27 + 15	Wicat 1719 5-8 51 5-1 1 19 Widcom 99 4'8 4 4'8 1'8
RR	Silicon 178 49 41a 41a - 14	Thortec 187 9 85 85	Williams 165 221 491, 49 491, 1
RAX 016 369 8 774 8 RPM 62 x612 1814 1734 16 - 's	SiliconS 1538 12% 12% 12% + 5 Subcival 293 17 1672 17 + 5	TimeEn 129 5 45 5 + 1	Wms5n 2 191, 191, 191,
Ray Sys 48 14 4 14 8 14 4	Salicinal 292 17 1672 17 + 12 Salicina 173 2214 2112 22 + 14 Salicina 201 512 514 512 + 14	TollSys 24 31 29 31 + 1,	Wilsof 229 6 5 11-16 5/8 Window 325 51, 51, 51, 1 1
Badson 26 7's 7 7's + 14	ISimenda RD 32 10° 10° 10° 10° 1	TrakAu 2 14½ 14½ 14½ - 12	WiserO .60 201 161, 161, 161, 161
Ragen 239 31, 33 ₈ 32 ₉ Rager 1 740 333 ₆ 33 325 ₈ + 3 ₈	Sippins 99 12'2 1134 12'4 + 14 Sazzlers 431 16 15'2 15'4 - 14	TriadSy 20 10 95g 10 + 14 TrusJo .40 24 2534 2534 2534	Werthgs 44 658 21 201-, 21 1 1/2
RaiEn 24 49 20% 20% 20%	Skepper .08 32 90 ₄ 90 ₆ 90 ₆ 1 ₈ Smithl, 214 20 ₆ 21 ₇ 2 11-16 - 1-	บบ	Writer 15e 154 85 61, 81, Wyman .80 136 224 22 22 31
Red-Cr 81 1's 1's 1's Reside 70 23's 23 23's	Society 184 563 589, 577, 581, + 3,	MSHICs 80 415 261, 257, 261, - 1,	XYZ
Rocom 17 1113 1114 1113 * 3	Soctysiv 77.4 3514 34 3416 + 5 Sottech 26 1014 1016 1016 - 16	Ullrey ,06e 208 63, 81, 63, 4 1, 1	Xobec 438 2", 7 2", 1
Ruevey 1203 13% 12% 13% + %	Soften 1548 1978 1871 1874 - 38	Ungamin 1440 145 14 145 + 15 Unah 2887 175 163 175 + 14	XILOr 388 80; 80; 80; 19 XIDE: 4704 14'; 14'; 14'; 14';
ՈղոլԸն 20 690 7 6% 7 Henres 12 131 15% 15% 15% 15% - 15	SonrFd .60e 13 17'4 17'4 17'4	UnPlatr 1 09t 4 291, 291, 291,	YlowFs .54 1062 26's 27's 28 s 1 3
Richard 17 5'm 5 51-16 - 1-1	Softono 51 414 418 418	UACMS 06 1300 2812 2712 2814 + 1 UBASk 157 50 914 818 914 - 14 1	ZenLbs .10 2363 217 201 211 1 Ziegker .48a 376 171 15 171 12
ReAuto 16 4 95 95 95 74 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Soulest 60 595 20's 19's 20's + 3s	UBCol 108 69 29% 28% 28% + v UFoGrp 254 7 634 7 + v	Zentit 1.36 19 42, 441, 442, 1 1-
Reulert 15a 54 9% 9% 9% 9%	Sovrgn 10 545 7's 7's 7's 1's 5 Sovrgns 128 2463 33's 32's 33 + 3	UFstFd .05e 15 1834 1835 1854 = 15	Ziyad b 6', 6', 6',
RevRey 140 64 524 515 515 - 4	Specify 183 200, 190, 2014 - 12	UGrdin 1.64t 17 812 8 812 UPresd 28 1016 1014 1015 + 1	Zondvn 1276 15 141, 15 1 5 ₉ . Zymos 289 2 11-16 25 ₉ 2 11-16
Ahodes .32 913 181; 1754 1814 + Ja	Spetren 182 2014 193, 1934 I		

BELGIUM & LUXEMBOURG

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FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Confidence revives in lower rates

MR MARTIN BANGEMANN, the West German Economics Minister, yesterday revived Wall Street's confidence that US interest rates have further to fall, writes

Terry Byland in New York. His reported comments that the US will seek a co-ordinated interest rate reduction by the G5 countries at this weekend's meeting spurred a sharp rise in the bond prices, which soon overflowed into the stock market. The advance was only slightly restrained by the refusal by Mr James Baker, US Treasury Secretary, to comment.

Bond prices extended their gains as the Fed announced substantial repurchase arrangements to offset the adverse cash flows associated with the opening of the year. The board again pre-announced repurchases - this time for five and seven days. Longer-dated bonds showed gains of nearly 11/2 points, and short-term rates turned easier despite a sharp rise in federal funds.

A rise of 10 Dow points in the stock market was trimmed when General Electric, a constituent, fell \$1 to \$68% on its results. The Dow Jones industrial average ended a net 8.25 points higher at 1,527.29. Trading was heavy, with 122.5m

Tokyo

1982

STOCK MARKET INDICES

1.527.29

698.84

173.01

1.109.6

1,390.5

311.6

531.2

672.02

1983

692.78

172.55

206.64

1.094.3

1,370.1

664.42

727.53

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closed 12,928.6 11,823.9

528.4

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407.9

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1985

SFr

1400 End month Nga

1200 l

1000

800

NEW YORK

D. I Industrials

D.i Transport

S&P Composi

DJ Utilities

FT-SE 100

FT-A 500

Tokyo SE

AUSTRALIA

All Ord.

AUSTRIA

BELOIUM

CANADA

FT-A Ali-share

FT Gold mines

FT-A Long gilt

Metals & Mins

Credit Aktier

Belgian SE

Composite

Montreal

Portfoli

DENMARK

FRANCE

CAC Gen

Ind. Tendance

WEST GERMANY

Commerzbank

FAZ-Aktien

HONG KONG

Hang Seng

Banca Comm

NETHERLANDS

ANP-CBS Gen

ANP-CBS Ind

NORWAY

ITALY

SE

Metals & Minis

LONDON

FT Ord

shares changing hands as interest spread from the blue chips to the broader range. Honeywell surged ahead on good results.

The renewed hopes of lower US rates countered the effects of the recent employment and retail sales statistics. which indicate a strengthening economy and thus lowered expectations that the Fed will influence rates downwards.

Although retail interest in bonds remained relatively restrained, there were signs of buying by institutions and especially Japanese investors.

Among interest-rate sensitive stocks, quick to respond to the reports from West Germany, the money centre banks were prominent, led by Chase Manhattan, \$2% up at \$78, and Citicorp. up \$1% at \$52%. Federal National Mortgage (Fannie Mae), an immediate beneficiary from lower rates, gained \$1% to \$25%.

With prospects for lower US rates and a lower dollar back on the horizon, there was a sharp jump in bullion prices which brought a technical rebound in the North American gold producer is-sues. Homestake Mining, the major US gold producer, gained \$\% to \$26\%.

Among the Canadians, Dome Mines added \$\mathcal{4}\$ to \$11\mathcal{4}\$ and Echo Bay Mines \$% to \$15%. South African mining issues, traded on the over-the-counter markets, remained subdued, but there was a gain of \$1% to \$39% in ASA, the investment trust which is the main vehicle for US investors in these mines.

IBM, now on the verge of announcing results, gained \$31/4 to \$1521/4 in brisk trade. Digital Equipement, second to IBM in data processing, bounced up \$41/2 to \$141%. After increasing the dividend

CURRENCIES

Previous

202.6

7*.5*675

2.089 2.777

50.35

INTEREST RATES

US BONDS

101%

104%

133.70

128.91

135,49

148.06

Source: Memil Lynch

8.794

9.299

9.45

Day's change

+0.15

+0.35

+1.11

102% 10.30

92% 10.08

Yield

7.85 85.321

136.82 .+0.47

Price

85.321

1.40405 2.02535

STERLING

Jan 15 Previous

291.75 291.75

1.4405

3.01

72.55

8% 8% 7% 7.96 7.255

99% 8.312

974/2 9.249

100152 9.417

103 1 9.558

8.99 -0.06

Price Yield

101% 9.90

88% 10.25

8.37

8.91

9.81

-0.06

-0.08

4.0

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3.0025

3.995

1,681.5 2,417.5 2,422.25

723

US DOLLAR

202.35

7.555

2.082 2.771

1,676.5

50,15

(3-month offered rate)

3-month US\$

6-month US\$

(offered rate)

US Fed Funds

9½ 1995 9% 2015

1-10

1- 3

AT & T

10% June 1990

3% July 1990 8% May 2000

US3-month CDs

KEY MARKET MONITORS

payout on the back of the results announced this week, NCR jumped \$14 to

Airline stocks rebounded led by the two major domestic carriers, United, up \$1 at \$48%, and American, up \$% at \$41%. With the latest car industry sales figures down sharply, the Detroit motor stock looked mixed - General Motors \$% easier at \$69% and Ford up \$% at \$58%.

The renewed bullishness revived several speculative market rumours. Honeywell gained \$2% to \$77% although the board denied suggestions of a leveraged buy-out. RCA was heavily traded but showed a gain of only \$\% to \$63 after an early gain was largely erased when United Technologies firmly rejected rumours of a bid plan.

Champion Spark Plug was also very active but off its top with a gain of \$% at \$10% following a boardroom denial of any merger negotiations.

But more successful spots included Avondale Mills, up \$2% at \$23 on news of buy-out talks, and GAF, up \$1% at \$54% after a Paine Webber analyst told clients that the stock would benefit strongly from its Carbide stake.

In the over-the-counter market, stock in HBO, which installs hospital computer systems, fell \$2% to \$15 when Dean Witter Reynolds removed it from the firm's recommended list, and the company planned a statement on the profits

The credit markets brushed aside a jump in federal funds to 8% per cent, despite a further \$2bn in customer repurchases from the Fed when the rate touched 8% per cent. The board has generously provided reserves this week - including foreshadowing \$850m of 15-day customer repurchases due to be made yesterday - but the reserves are clearly intended to smooth traditional January cash flow distortions and not to repre-

sent any change in policy.

Treasury-bill rates eased by 4 basis points. But bond prices showed renewed strength at mid-session, when early gains of more than a full point were

LONDON

A BURST of optimism shot through London yesterday on reports that the West German Economics Minister had embarked on a plan to co-ordinate an interest-rate cut.

Share and bond prices surged higher, and the FT Ordinary index briskly extended a near-close rise of only 6 points to finish 15.3 ahead at 1,109.6 while the FT-SE 100 index added 20.4 to 1,390.5.

Interest rates had earlier dictated the trend as domestic financial markets waited to see whether the Bank of England's bold initiative on Tuesday would be successful.

Gilts enjoyed considerable after-hour support, with longs gaining almost a full point, while shorts advanced ¼ in places. Chief price changes, Page 37; Details, Page 36; Share information service, Pages 34–35

HONG KONG

jected some life into Hong Kong and buoyed the Hang Seng index 1.43 higher to 1,783.66.

Small investors and isolated overseas institutional support formed the basis of the buying that firmed China Light 30 cents to HK\$16.30 and Hongkong Telephone 10 cents to HK\$10.90. Hongkong Gas moved against the trend with a 20cent fall to HK\$14.40.

Jardine Matheson picked up 10 cents to HK\$13.40 while Hongkong Land firmed 5 cents to HK\$6.70. Cheung Kong failed to recoup the losses of the previous session and closed steady at

Some stability returned to the banking sector,

AUSTRALIA

A MORE BULLISH tone was evident in Sydney as the All Ordinaries added 1.7 to 1,050.6m, just below its record high, and the All Industrials index firmed 2.4 to a peak 1,549.1.

Pioneer Concrete was actively traded with about 3.3m shares crossed in Melbourne, although the price held steady at A\$2,70. BHP traded in an 8-cent range before

closing unchanged at A\$8.94 while CSR picked up 2 cents to A\$3.72 and Bell Resources was steady at A\$5.80. Mines eased although some leading is-

sues recovered some from the day's low.

SINGAPORE

FURTHER GROUND was surrendered in a listless Singapore as investors trimmed 4.85 off the Straits Times Industrial index at 629.15.

Singapore Airlines was the most active, after a busy session on Tuesday, and finished steady at S\$4.92 on turnover of 882,000 from a total volume of

Sime Darby was also active with a 1-cent fall to \$\$1.46, and Singapore Land, most active in the previous session, was busy with a 1-cent fall to

CANADA

SURGING gold shares triggered a broad advance in Toronto, and further encouragement was found in the stronger performance on Wall Street.

Gold stocks, buoyed by the highest bullion price for 10 months, jumped with early gains of C\$1 apiece for Dome Mines at C\$15% and Lac Minerals at C\$381/2. Echo Bay traded C\$1/2 higher to

Banks and mines were the strongest feature of a higher Montreal.

Foreigners return with a vengeance

FOREIGNERS returned to Europe yesterday with a vengeance and swamped some bourses in a wave of bargain-

hunting.

Frankfurt was first on their itinerary and the exchange was again forced to extend trading by 30 minutes to process the surge in turnover.

The Commerzbank index rose 55.7 to 2,161.8, its second consecutive record this week.

Brokers noted a lack of fresh factors stimulating the steady rise and some believed that the rally was selfperpetuating.

Centre stage was held by Siemens, which, after a buy recommendation from a local brokerage house, leapt 6.6 per cent to finish up DM 54 at DM 818. AEG dropped on news that the Cartel Office would later this month rule on Daimler's plans to take a majority stake in the group. The electrical group lost DM 4 to DM 308 as Daimler continued to deny that it planned to raise its offer for outstanding AEG shares.

Daimler, however, gained on the day, ending DM 60 up at DM 1,445, as it led the car sector higher.

In banks, Bayerische Hypotheken fell to profit-taking after recent strong gains on takeover speculation. It fell DM 27 to

Insurer Allianz, which on Tuesday was at the other end of the Bayerische

Hypo takeover rumour, surged again, adding DM 65 to DM 2.665.

Retailers were also strong and engineering issues bullish. Foreign and domestic investors took up fresh positions in the bond market and prices ended higher. Longs showed gains of about 35 basis points and shorts rose by as much as 10 basis points.

The Bundesbank continued its selling spree, divesting itself of DM 60.2m worth of paper

Activity in West Germany fuelled sentiment in Amsterdam, which also reacted to increased optimism over the Dutch economy and the slightly firmer dollar.

Multinationals, which have recently been in the doldrums, continued their

recovery, with Akzo FI 1.90 higher at 157.10 and Philips up FI 2.60 at FI 61.90. Star performers were construction issues, which received a boost from na-

tional newspaper reports that the industry was poised for a recovery in 1986. HBG added Fl 4.50 to Fl 142 and Volker Stevin was up Fl 2 at Fl 37.20. Zurich extended the rally begun late on Tuesday as gains in the recently somnambulant banking sectors pulled other

stocks higher. Crédit Suisse gained SFr 60 to SFr 3,800 and Bank Leu added a sparkling SFr 175 to SFr 4,700. The market was flooded with large

buy orders from institutions for Nestle, whose bearer share added SFr 105 to

Bargain-hunting pushed Paris higher in active trading. Investors were also cheered by a drop in the overnight call money rate.

Building issues stole the show ahead of next Monday's decision on the English Channel fixed-link project. Auxilfaire d'Entreprises gained FFr 65 to FFr 1,495, while Bouygues, which faded in the previous session, climbed FFr 39 higher to FFr 1,000.



Despite buying interest in some sectors, Brussels continued to suffer from profit-taking and ended mixed.

Financials, non-ferrous metals, steels and oil issues put in a better performance, while banking stocks were

Milan was again higher ahead of today's end of the January trading account, but Stockholm finished down despite an attempted upturn during the morning. Banks took Madrid marginally

SOUTH AFRICA

THE STRONGER bullion price took Johannesburg gold shares sharply higher. Among the leading issues Randfon-tein surged R14 to R267 while in firmer mining financials its holding company "Johnnies" rose R15 to R300 on quarterly results.

Impala Platinum gained more ground with another R1.15 rise to R28.50, and leading diamond share De Beers added

R1.05 to R18.05. Barlow Rand benefited from the stronger sentiment and advanced 35

Establishing a toehold for the future

MORE FOREIGN banks and securities. houses are opening representative offices in Tokyo as a toehold for future securities business in Japan, writes Shigeo Nishiwaki of Jiji Press.

Such representative offices, licensed on registration with the Ministry of Finance, increased by 22 last year to 112, reflecting growing foreign interest in Tokyo as an international financial centre rivalling New York and London.

In addition, according to one foreign securities house, many other foreign concerns not registered with the Finance Ministry have representatives working out of rooms in hotels or condominiums.

The activities of representative offices of foreign financial institutions are limited to market research and analysis and corporate research work. But their general aim is to win the ministry's approval to open branch offices qualified to deal in securities.

Ten representative offices were upgraded to branch offices last year. Six of them, including Schröders, a British merchant bank subsidiary, and

The Tokyo stock market was closed yesterday for a holiday.

Deutsche Bank, subsidiary of the leading West German bank, gained the status on December 20.

The simultaneous approval of so many was seen by some observers as the ministry's response to criticisms by the US, Britain and West Germany over foreign access to Japanese financial markets. But the ministry denied that it

yielded to foreign pressure. A ministry official estimates that the number of foreign offices doing securities business in Tokyo will increase to around 40 this year from the present 20. The rush into Tokyo has caused an acute shortage of office space, around Marunouchi, the central financial district. A room for rent, if any, will cost Y12,000 (\$59) a square metre a month, plus Y1,000 to Y2,000 in guarantee money. Space may be even costlier than in New York and London, says a leading

property group. These foreign institutions are also looking for Japanese who are well experienced in international securities business, proficient in English and competent in negotiations with the authorities.

Most are trying to recruit through the head-hunting agencies which have recently proliferated. Salary offers range from \$200,000 to \$400,000 a year, several times higher than those paid by Japanese securities firms.

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